



FINAL INTEGRATED DEVELOPMENT PLAN

2019-2020

ELUNDINI LOCAL MUNICIPALITY

No. 01 Seller Street

MACLEAR, 5480

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FOREWORD FROM THE MAYOR

The year 2019 marks 6th national democratic elections. A new era has dawned in our country as we have fresh mandate from the President of the Republic of South Africa that of declaring our shared determination that shall end poverty in this country. This current IDP and Budget is focus-driven on community needs and a geared towards meeting community aspirations gleaned from stakeholder consultation and engagement through the past years. Municipal Systems Act requires a municipal council to adopt integrated development plan. Section 25 (1) of the Municipal Systems Act requires each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality within a prescribed period after the start of its elected term. Section 34 of the Municipal Systems Act further requires a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements; changing circumstances as they demand; and in accordance with a prescribed process.

In compliance with legislative requirements, the Council of Elundini Local Municipality (ELM), a five-year strategy in 2017 to identify and conceptualise development priorities, goals, strategic objectives, set targets and indicators for the duration of the Council term. These goals and objectives, indicators and targets were developed to guide ELM direction and to measure the performance of the Council in delivering services to the communities annually and over the five-year term. The Service Delivery Budget and Implementation Plan, as required by Chapter 6 of the Municipal Systems Act of 2000, is developed annually to breakdown long-term performance into sizeable chunks and contributes towards the achievement of medium and long-term plans.

We are proud as the Council that we have consistently maintained high rating for the credibility of our IDP during provincial assessments. Notwithstanding this high rating, we still need to improve on the area of Sector Plans, the majority of our sector plans are not reviewed such as Human Resource Strategy and our by-laws. We also need to develop Trade Effluent Policy as the Council to regulate air pollution and sewerage spillages; Integrated Safety Plan; Disaster Management Plan. The IDP provincial assessment outcomes also put pressure on the Council to implement projects that have been in the IDP for some time such as construction of weigh-bridge for maintenance of our local roads; construction of vehicle testing station; construction of a fire station.

As the Council we also pride ourselves with mechanisms that are in place to promote public participation. In May 2019, the Council consulted communities through our IDP Roadshow. During this process, the Council gave feedback to communities on mid-term service delivery progress made this far and remaining challenges. Ward-based planning continues to be one of the strategic platforms to promote meaningful participation and engagement of our communities. Ward development plans that were developed in 2017/2018 financial year were integrated into our IDP and in 2018/2019 we continued as the Council to help communities in further planning of their own development. Furthermore, all sections of the IDP were updated with relevant information including the situational analysis, community needs, capital projects and other budgeted projects; budget for 2019/2020 financial year. As we present our penultimate IDP we look back with pride as we approach the final phase of the current term in our political office. It is this achievement coupled with our confidence, commitment and loyalty which will see us standing proud at the end of our political term.

Cllr. N. R. Lengs

Mayor

DATE: _____

OVERVIEW BY THE MUNICIPAL MANAGER

The 2019/2020 Integrated Development Plan (IDP) will be implemented in the context of a new national and provincial administration whose assumption of office has been welcomed, unfortunately, by a nosedive in the economy, with the GDP dropping by 3.2% in what has been seen as the worst slump since 2009. The impact of the decline means a number of things, including the shredding of jobs by the economy, a shrink in the country's revenue. For a municipality that is rural and thus dependant extra ordinarily on grants from the national fiscus, the implications of a poorly performing economy are ghastly. This is further exacerbated by the real possibility that the municipality's ability to collect own revenue may also be severely impaired.

These must be viewed against the backdrop of the service delivery backlogs and the low levels of socio economic development in the Elundini Local Municipality. As a result thereof, balancing the municipality's budget is gradually becoming, proverbially speaking, a mountain to climb with the number of projects and programmes that could be implemented, having to be downscaled to fit within the realistically available revenues. To demonstrate this further, the municipality's draft annual budget for 2019/2020 has, on two assessments by the provincial treasury, found to be unbalanced, the implication being that the projected expenditures have to be downscaled. This does not augur well for service delivery and placating some of our communities who have been clamouring for various services.

As expected, National Treasury has now passed cost containment regulations which are effective from 1 July 2019 and therefore have to be implemented with the new IDP. Whilst there will be disenchantment in the sector around the new regulations, these must be viewed more positively as an attempt to reduce non-core expenditure whilst releasing more funds towards service delivery. In essence, these new regulations require, to some extent, institutional re-engineering and change management.

The new IDP will be implemented against a backdrop of a reputational damage to the municipality, caused by an adverse opinion from the Auditor General in respect of the 2017/2018 financial year. Our excellence in service delivery must not be dampened by negative audit outcomes, as the perception of bad governance, which negative audit outcomes import to an institution, sometimes overshadow everything and anything good that we have previously done. Management, supported by the internal audit unit and audit committee, is working frantically to address the root causes for the

negative audit opinion and thus it is hoped that by the 2018/2019 audit opinion will be remarkably improved.

Our municipality prides herself as ***“A leading rural municipality that delivers a better quality of life for all citizens; a municipality that is phenomenally viable, highly successful and passionately people centred”.***

Khaya Gashi
Municipal Manager

DATE: _____

BACKGROUND

Section 34 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This final 2019 – 2020 IDP document is the second review of the 2017/2022 IDP of the Elundini Local Municipality. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Elundini Municipal area of jurisdiction.

In terms of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, *inter alia*, links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality and aligns the resources and capacity of the municipality.

As far as the status of the IDP is concerned, Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality: (a) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality; (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails; and (c) binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law.

Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan. The IDP is the key instrument to achieve developmental local governance for decentralized, strategic, participatory, implementation orientated, coordinated and integrated development.

Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realizing municipalities' major developmental responsibilities to improve the quality of life of citizens". It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides government departments and other social partners with a clear framework of the municipality's development trajectory to harness implementation efforts.

Integrated Development Planning also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local government's budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests.

The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government.

In terms of Section 26 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, the core components of an IDP are:

- ✓ The municipal Council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- ✓ An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- ✓ The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- ✓ The Council's development strategies which must be aligned with any national or provincial sector plans and planning requirements binding on the municipality in terms of legislation;
- ✓ A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- ✓ The Council's operational strategies;
- ✓ Applicable disaster management plans;
- ✓ A financial plan, which must include a budget projection for at least the next three years; and
- ✓ The key performance indicators and performance targets determined in terms of the Performance Management System.

Guiding Parameters

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2030; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development

Perspective (NSDP); National Growth Path; the Joe Gqabi Growth and Development Strategy; Millennium Development Goals; State of the Nation Address (SONA); and State of the Province Address (SOPA).

❖ *National Development Plan, Vision 2030*

The RDP formed the basis of government's attempt to attack poverty and deprivation, and to build a united, non-racial and non-sexist South Africa. Informed by the principles of inclusivity, government translated the RDP into policies, programs and budgets.

The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country.

The NDP has the following objectives:

- ✓ Seeks to eliminate poverty and reduce inequality;
- ✓ Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- ✓ Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history

❖ *Priority Programs Of The District*

Based on a comprehensive analysis of the District and the Strategic Goals and Objectives, the District has adopted eight "Priority Programs" to drive growth and development in the District over the next five to ten years. These priority programs were endorsed by all the social partners at the Growth and Development Summit held in February 2007 as well as in subsequent public meetings. The Strategic IDP objectives presented in the table below are aligned to the eight priority programs, MTAS and the 12 Outcomes of Government as well as the Millennium Development targets. The eight priority programs are depicted in the table below:

Table 1: Priority Programs

PRIORITY PROGRAM		OBJECTIVES OF THE PROGRAM
AGRICULTURE		Aims to improve livelihoods of emerging and subsistence
TIMBER		Aims to create new jobs through new afforestation and timber processing
TOURISM		Aims to grow the tourism industry
WATER AND SANITATION		Aims to eradicate backlogs in line with national targets
MUNICIPAL SERVICES	UPGRADING	Aims to improve municipal services to create sustainable human settlements, particularly in the seven new rural nodes

SOCIAL SAFETY NET	Aims to support the poorest, through EPWP, home gardens etc.
ACCESS AND LINKAGES	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)

❖ *Priority Programs of the Elundini Local Municipality*

ELM's priority programs are derived from various community engagement platforms like ward committee meetings, IDP roadshows, Ward Based Planning, etc.

Table 2: ELM Priorities

PRIORITY PROGRAM	OBJECTIVES OF THE PROGRAM
SMME DEVELOPMENT	Aims to stimulate local economy and create sustainable enterprises
MANUFACTURING	Aims to stimulate and create vibrant local economy
MINING	Aims to stimulate and create vibrant local economy
AGRICULTURE	Aims to improve livelihoods of emerging and subsistence
TIMBER	Aims to create new jobs through new afforestation and timber processing
TOURISM	Aims to grow the tourism industry
ROADS AND STORMWATER	Aims to eradicate backlogs in line with national targets
RURAL ELECTRIFICATION	Aims to improve municipal services to create sustainable human settlements, particularly in rural nodes
SMALL TOWN REGENERATION	The program focuses on Commercial, Institutional and residential property development
TOWNSHIP ESTABLISHMENT	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)
ENVIRONMENTAL AND WASTE MANAGEMENT	Aims to protect the environment
SOCIAL INFRASTRUCTURE (PUBLIC AMENITIES)	Aims to create a conducive environment for social activities
COMMUNITY SKILLING	Aims to develop community capacity to champion their own development

EXECUTIVE SUMMARY

SECTION A: INTRODUCTION

Section 23 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, explains that a municipality must undertake developmentally-oriented planning so as to ensure that it strives to achieve the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996 to give effect to its developmental duties as required by Section 153 of the Constitution of the Republic of South Africa, 1996 and together with other organs of state contribute to the progressive realization of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996. An IDP is a super-plan that gives a framework for development. It tries to address the needs of the people in the area, draws in stakeholders and other spheres of government and plans for infrastructure and local economic development. The components of Elundini Integrated Development Plan are as set out in the Integrated Development Plan Format Guide developed by the Department of Provincial and Local Government of the Republic of South Africa.

SECTION B: UPDATED SITUATIONAL ANALYSIS

The municipality has in terms of the situation analysis, analyzed each Key Performing Area 's current status and challenges thereof , and further proposed strategies that will bring change to the current situation to better the services of its communities. The list of community needs/priorities are included in section B below.

SECTION C: VISION AND MISSION

In this section, the municipality reflects on its vision which serves as a framework or a road map to guide every aspect of the organization by describing what needs to be accomplished. It has also through its mission and values declared its purpose and the standard against which the institution will weigh its actions and decisions.

SECTION D: STRATEGIC OBJECTIVES

This describes the goals and objectives and the priorities which serves as the end towards which the municipality's efforts and actions are directed and coordinated. It contains the performance indicators set by a municipality which include general key performance indicators prescribed by National Department of Local government and traditional affairs. Clear performance targets for the next five years are also reflected. The performance information reflected in the IDP informs the budget allocation with the service delivery receiving more consideration than other areas of operation.

SECTION E: DEVELOPMENT STRATEGIES

The IDP process is guided by various policies and strategies that are developed by both the National and Provincial government. The alignment is the process by which the various organs of government develop and implement consistent strategies and programs. This section therefore outlines the key policies and strategies considered by Elundini municipality in its intergraded development review.

SECTION F: PERFORMANCE MANAGEMENT SYSTEM

This section reflects on the functioning of the ELM's PMS.

SECTION G: OPERATIONAL BASED AND SERVICE DELIVERY PROJECTS

This section reflects on all planned projects by the district municipality and other sector departments, both funded and unfunded.

SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN

This section deals with the analysis of the financial position and financial viability of the municipality.

1. SECTION A: INTRODUCTION

1.1. Purpose of this Document

An Integrated Development Plan (IDP), once adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality";
(b) "...binds the municipality in the exercise of its executive authority...;

Elundini Local Municipality (ELM) developed its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Local Government: Municipal Finance Management Act 56 of 2003. In terms of the Local Government: Municipal Systems Act, Chapter 5, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- b) aligns the resources and capacity of the municipality with the implementation of the plan;
- c) forms the policy framework and general basis on which annual budgets must be based;
- d) complies with the provisions of this Chapter; and
- e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

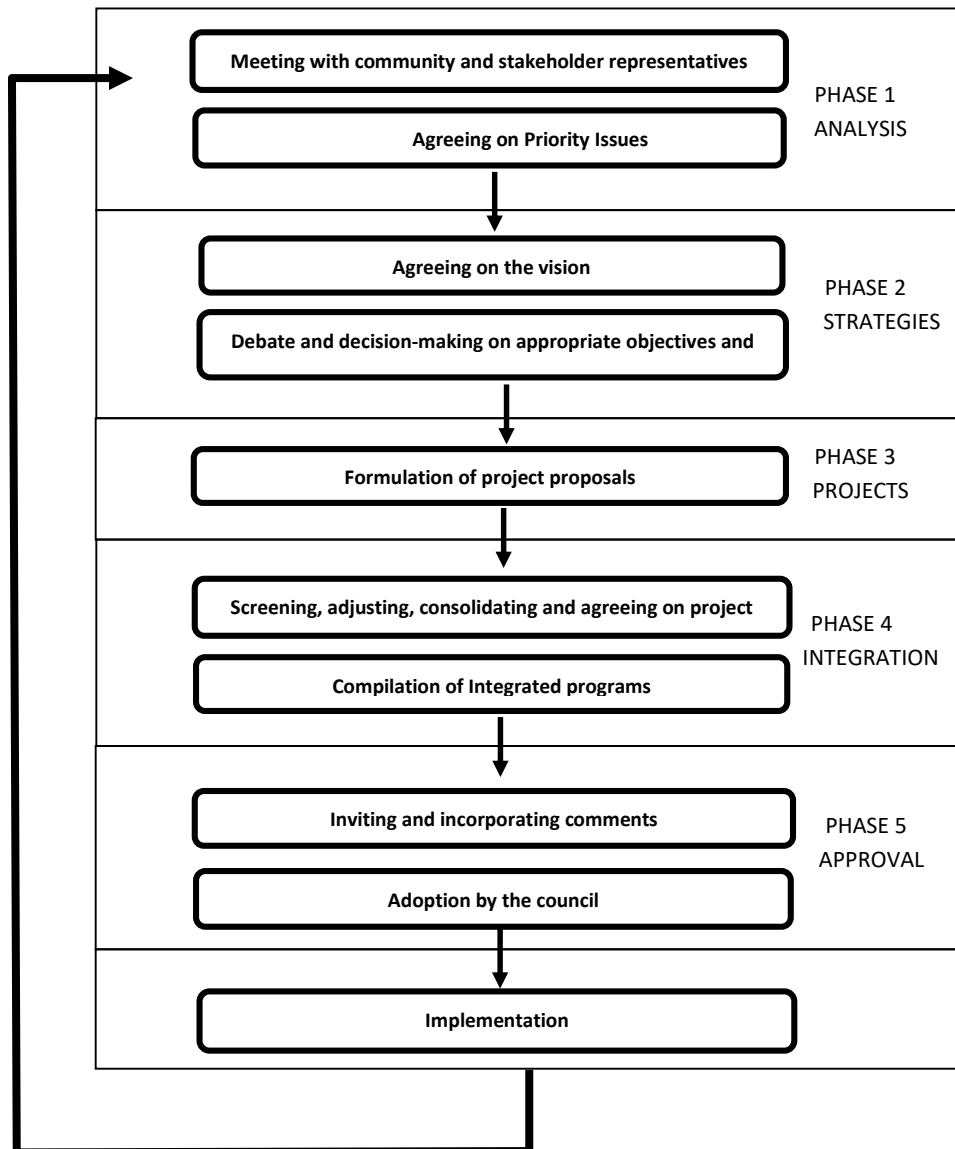
1.2. IDP Contents

The IDP development and content is informed by legislative framework; situational analysis; National, Provincial and District plans and policies such as the National Development Plan (NDP), the Medium-term Strategic Framework, the National Spatial Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP), the Ukhahlamba District Growth and Development Summit (GDS), the Elundini 5 year Strategy, SONA and SOPA. The IDP also contains performance management system, service delivery and budget implementation plan and financial plan

1.3. Process Followed

1.3.1. Process Plan

The ELM 2019/2020 IDP and Budget Process Plan was noted by EXCO on 29 August 2018 with Resolution No. **EXCO/262/18** and was adopted by Council on 27 September 2018 with Council Resolution No. **CON/205/18**. The Draft 2019/2020 IDP and Budget was adopted by Council on 29 March 2019 and the final IDP and Budget will be adopted on 28 June 2019. The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.



1.3.2. Phases in the Development of the IDP

Table 3: Phases in the development of the IDP

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	OUTPUT
Preparation	July 18 – Sept 18	<ul style="list-style-type: none"> Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process; Accounting officers and senior officials of the municipality begin planning for next three-year budget; Accounting officers and senior officials of the municipality review options and contracts for service delivery; Process Plan prepared; Submit Process Plan to EXCO for noting and consideration on 29 August 2018 Submitted the Process Plan to Council for adoption 27 September 2018. IDP process plan advertised 1st IDP & Budget Rep Forum Meeting was held on 11 September 2018 	Approved Process Plan
Analysis	Oct 18 – Dec 18	<ul style="list-style-type: none"> Accounting officer does initial review of national policies and budget plans and potential price increases of services 2nd IDP & Budget Rep Forum Meeting held on 7 November 2018 Ward Committee Meetings 	Updated Situation Analysis
Objectives, Strategies & Projects	Nov 2018 - February 2019	<ul style="list-style-type: none"> District IDP Rep Forum Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements Council finalizes tariff (rates and service charges) policies for next financial year Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 29 January) 	Draft Budget

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PHASES	PERIOD	KEY EVENTS/ACTIVITIES	OUTPUT
Integration	31 January 2019 – 31 March 2019	<ul style="list-style-type: none"> Strategic planning session to prioritize projects and programs IGR session to integrate programs and projects with other sector departments IDP Steering committee to prepare draft budget Accounting Officer finalizes and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous year's audited financial statements and annual report Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year Elundini strategic planning session held from the 11 to 15 February 2019. Council to approve draft IDP & Budget in March 2018 	Strategic Framework & Draft IDP
Approval	April 2019 – June 2019	<ul style="list-style-type: none"> IDP Steering Committee Council adopts draft IDP & Budget Draft IDP & Budget submitted to MEC for Local Government and to Provincial Treasury DM Rep Forum IDP Rep Forum (draft IDP & budget) Advertise for comments & public participation Council interacts with public through ward meetings around draft Budget and IDP Mayor's strategic planning session IDP & Budget Rep Forum Council approves final IDP & budget Final IDP Submitted to MEC for Local Government and to Provincial Treasury Summaries of the adopted IDP and Budget published for public information SDBIP and draft performance agreements of Section 56 Managers submitted to Mayor and EXCO SDBIP and final performance agreements of section 56 Managers to be approved by Council 	Final IDP, Budget, PMS & SDBIP

1.4. Key Developmental Challenges

The situational analysis reflected the following as the overarching development challenges in Elundini's development:

- ✓ Huge infrastructure development backlogs
- ✓ High rate of unemployment with decreasing levels of employment in key economic sector (Agriculture)
- ✓ Low levels of skills development and literacy
- ✓ Limited access to basic household and community services;
- ✓ High dependency on government grant
- ✓ Loss of Natural Capital
- ✓ Unutilized suitable land for agriculture and forestry production
- ✓ Lack of value adding initiatives
- ✓ Unsustainable developmental practices
- ✓ Inadequate energy and water supply;
- ✓ Inadequate food security;
- ✓ Waste Management
- ✓ Cost recovery and revenue collection

1.5. IDP Assessments

Every effort is made by the municipality in addressing all issues raised on our IDP when IDPs are assessed. As can be noted from the table below, the municipality has improved and has consistently been getting high rating in all the KPAs assessed on over the last four (5) years:

Table 4: IDP Assessment Results

KPA	RATING 2013/14	RATING 2014/2015	RATING 2015/2016	RATING 2016/2017	RATING 2017/2022	RATING 2018/2019
Spatial Development Framework	High	High	High	High	High	High
Service Delivery	Medium	Medium	High	High	High	High
Financial Viability	High	High	High	High	High	High
Local Economic Development	High	High	High	High	High	High
Good Governance & Public Participation	High	High	High	High	High	High

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Institutional Arrangements	High	High	High	High	High	High
Overall Rating	High	High	High	High	High	High

1.6. IDP Assessment Response Plan

IDP Provincial Assessments were held on 21 February 2019 on the municipality's 2018 – 2019 IDP. As much as the municipality has been commended for developing a credible 2018 – 2019 IDP, the table below depicts the areas of improvement when developing the 2019 – 2020 IDP in each KPA:

Table 5: IDP Assessment Response Plan

KPA	AREAS THAT NEED IMPROVEMENT/EXPRESSION IN THE IDP DOCUMENT
1. Spatial Planning, Land and Human Settlements	<ul style="list-style-type: none"> - Plans to address land degradation and revitalization. - Projects that address environmental challenges are not mentioned in the IDP though implemented by Department of Environmental Affairs - Development of own Environmental Management Plan - Development of Air Quality Management Plan - On the issue of disaster vulnerability and risk assessment the Spatial Development Framework is silent on mitigation measures. - The SDF document speaks at node investment, not ward investment. The municipality needs to include ward investment in both urban and rural areas. - Municipality makes no mention of the NSDP or PSDP, however, the principles of these plans have been used - SDF priorities are not translated into municipal IDP (budgeted/ financed projects) - The IDP does not reflect the presence of an air quality management plan (AQMP) as contemplated in Section 15(2) of the NEMA: Air Quality Act 39 of 2004. - There are activities that respond to Climate Change but the municipality must consider developing a climate change response strategy.

	<ul style="list-style-type: none"> - There is no indication of how the municipality intends to use and protect its natural resources/protected areas and heritage as its comparative and competitive advantage. - There is no indication of the capital projects that will require environmental authorization to comply with an EIA process. The municipality must forward list of projects to DEDEAT for screening. - By laws are not gazetted and their enforcement is not clearly indicated. Only waste by-laws are indicated but are outdated. - There are no projects that address environmental challenges, currently the municipality seems to focus on waste management.
2. Service Delivery and Infrastructure Planning	<ul style="list-style-type: none"> - Level of compliance of landfill sites - Integrated Community Safety Plan - Trade Effluent Policy - The municipality is mandated to have its own Disaster Management Plan as per the Disaster Management Act - The municipality has covered emergency procurement measures in the Supply Chain Management Policy and as per MFMA (Deviations) but the measures must also be stipulated in the disaster management plan? - Fire services tariffs must be developed, adopted, implemented and periodically reviewed and must be reflected in the IDP
3. Financial Planning and Budgets	<ul style="list-style-type: none"> - Non-inclusion of Annual Financial Statements - Reviewal of Valuation Roll and proof of council resolutions - By-law with regards to Municipal Property Rates Act
4. Local Economic Development	<ul style="list-style-type: none"> - Information on socio-economic analysis needs to be updated with data from Global Insight and tables should reflect one source. - LED priorities in the IDP document must be aligned with the national, provincial and district objectives.
5. Good Governance & Public Participation	<ul style="list-style-type: none"> - List of By-laws and Municipal Policies (indicate if gazetted / promulgated) - Litigation register / Legal Management System - Integration of Community Development Workers into municipal programmes

	- Performance Management Committee (not referring to the Audit Committee)
6. Institutional Arrangements	- Development of HR Strategy

In developing the 2019 – 2020 IDP, the municipality has made everything possible in addressing the above issues except for a very few that it is still in the processes of addressing.

1.7. Powers and Functions

The Constitution indicates that the objects of local government are:

- ✓ To promote democratic and accountable government for local communities;
- ✓ To ensure the provision of services to communities in a sustainable manner;
- ✓ To promote social and economic development;
- ✓ To promote a safe and healthy environment; and
- ✓ To encourage the involvement of communities and community organizations in the matters of local government.

Within this Constitutional role, powers and functions have been defined in terms of the Local Government: Municipal Structures Act as amended. The powers and functions indicated by **x** below indicate those powers and functions that are performed by either the JGDM or the Elundini Municipality or both:

Table 6: Powers and Function

FUNCTION	JGDM	ELM
SCHEDULE 4 PART B		
Air pollution	X	
Building regulations		X
Child care facilities		X
Electricity reticulation	X	X
Fire fighting	X as per regulation	X
Local tourism	X as per White Paper	X
Municipal airports		X
Municipal planning	X	X
Municipal Health Services	X	
Municipal Public Transport		X
Pontoons and Ferries		
Storm water		X

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Trading regulations		X
Water (potable)	X	
Sanitation	X	
SCHEDULE 5 PART B		
Beaches and amusement facilities		
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		X
Fencing and fences		X
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
ADDITIONAL AGENCY FUNCTIONS PERFORMED		
Licensing of vehicles		X
Primary Health Care	X	
Road maintenance	X	

1.8. Intergovernmental Relations

The ELM has prioritized the IGR as one of its priority areas of focus to strengthen and has thus established an IGR structure that incorporates all IGR activities in the municipality that will also ensure that the structure is

used as a reporting structure for all government activities. The uses ELM its IDP and Budget Forum to interact with other government departments and other State Owned Entities and, where possible, one-on-one engagements are usually held for strategic projects.

1.8.1. MUNIMEC

The MUNIMEC has been established in terms of the provisions of the Intergovernmental Relations Act as a consultative forum between the Eastern Cape Provincial Government and the 39 municipalities in the Eastern Cape Province. To give credence to output 7 of delivery outcome 9, the provincial department of Local Government and Traditional Affairs is responsible for coordinating the activities of MUNIMEC. The MUNIMEC is attended by Mayors and Municipal Managers of municipalities. The department has also constituted a technical MUNIMEC which is a forum between the departmental management as led by the Superintendent General and the Municipal Managers from municipalities. At the technical MUNIMEC and the MUNIMEC, reports from the 6 district municipalities and the Nelson Mandela Metro, inter alia, whose main focus is progress with the implementation of the municipal turnaround strategies within the DMs and their constituent local municipalities as well as the Metro are presented and discussed. Both the Mayor and the Municipal Manager of the ELM participate and contribute in the provincial MUNIMEC.

1.8.2. District Mayors Forum: DIMAFO

The District Mayors Forum of Joe Gqabi District, chaired by the Mayor of JGDM, which is supposed to sit quarterly to align key programs and issues between municipalities. DIMAFU is a Section 79 Committee. This is a special committee of council made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor of the district) that deals with issues within the Municipal Managers office (communications, IGR, Special Programs dealing with Women, Youth, Disabled, People living with Aids, Elderly and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues.

1.8.3. SALGA Working Groups

In order to share best practices in local government, SALGA has established a cluster of working groups. These working groups are replicated at a provincial level, and their structuring sometimes transcends the municipality's departmental divide. In order to ensure effective participation of the municipality into the SALGA working groups, the ELM has appointed the following councilors who will represent it not those working groups:

Table 7: Councillors Participating in SALGA Working Groups

COUNCILLOR	WORKING GROUP
N. Nkalitshana	Economic Empowerment and Employment Creation

S. Magadla	Environmental Planning and Climate Resilience
M. Mqamelo	Municipal Finance and Fiscal Relations
M. Naketsana	Community Development and Social Cohesion
M. Marubelela	Water, Sanitation and Waste Services
T. May	Public Transport and Roads
M. Leteba	Capacity Building and Institutional Resilience
V. Hokwana	Governance, Intergovernmental Relations and Councillor Welfare and Empowerment
Cllr Mbombo	Human Settlement and Municipal Planning
K. Mgijima	Municipal Innovation and Information Technology

The elected councillors have a responsibility of reporting back to the municipal council the deliberations and decisions taken on their respective clusters for the municipality to take its own appropriate decisions on the subject matter.

1.8.4. Traditional Leadership – Partnerships

In terms of the guidelines issued by the MEC for Local Government and Traditional Affairs in 2011, seven Traditional Leaders identified by the MEC are serving in the Municipal Council and its Committees with effect from 18 November 2011. Due to the rural nature of the Elundini Municipality, the participation of and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. To this end the municipality has categorized Traditional Leaders as a key stakeholder that the Mayor converses with on a regular basis under the guise of Mayor's Conversations with stakeholders. In recognition of the valuable contribution of Traditional Leadership authorities in the programs of Elundini Municipality, the Council has adopted guidelines in terms of which assistance is being provided to Traditional Leaders on certain defined occasions.

1.9. Public Participation

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of the objectives of municipalities is "to encourage the involvement of communities and community organizations in the matters of local government". The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision making processes of the municipality is determined to be a

right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

The ELM has a fully functional Public Participation Unit located in the Office of the Municipal Manager which is responsible for coordinating all public participation activities of the municipality. The ELM reviewed and approved its Public Participation Strategy in June 2018.

1.9.1. Public Participation Mechanisms

The following are some of the public participation mechanisms that the ELM uses in engaging with its communities:

- ✓ Ward Based Planning processes;
- ✓ Ward War Room meetings;
- ✓ IDP Representative Forum;
- ✓ Mayor's conversations with different stakeholders;
- ✓ Public Participation Forum;
- ✓ Ward community meetings convened by Councilors on quarterly basis;
- ✓ Published annual reports on municipal progress;
- ✓ Ward Committee meetings;
- ✓ Newspaper advertisements and notices;
- ✓ Making the IDP document available to all members of the public;
- ✓ Outreaches by Elundini Municipality to communities and Stakeholders;
- ✓ Use of loud hailers to invite communities to meetings;
- ✓ Information dissemination through the Blue Snow/ Lehloa Le Bolou newsletter and The Back of the Horizon;
- ✓ Stakeholder Forums such as Farmers' Forum; Local Communicators Forums; Local AIDS Council; Roads Forums; Elundini Sports Council; Elundini Youth Council; PWD Structure; etc.

1.9.2. Public Participation Challenges

As part of reviewing the strategy, the public participation performance of the institution was assessed. Functionality of public participation platforms such as ward Committees, village and township-based meetings and war rooms was assessed. The following issues were identified as challenges for effective participation of communities in the affairs of the municipality:

- ❖ **Ward Committees**
 - ✓ Lack of capacitation of the ward committees
 - ✓ Lack of capacity of chairpersons of the ward committees

- ✓ Lack of proper mechanism to uplift the issues raised at ward committee level to relevant structures and eventually to council for implementation and feedback
- ✓ Poor or lack of monitoring of wards performance

❖ Village Meetings

- ✓ Poor sitting of village meetings which leads to ineffective utilization of CPLWs.
- ✓ Lack of training in minute taking and report writing for the CPLWs
- ✓ Lack of proper system for information management from the community to the municipality and sector departments for report back
- ✓ Minimal commitment from CPLWs who resign frequently
- ✓ Chairpersons' competing commitments mostly with programs of the district municipality to the detriment of local municipal programs

❖ Information Management

- ✓ Poor recording of information including minutes during public participation engagements
- ✓ Lack of information management system to process and
- ✓ There is no clear flow of information between the different platforms
- ✓ No relationship between the IDP outreaches, the village meetings, the ward committee meetings and the Public Participation Forum

1.10. Communications

The ELM has reviewed and adopted its Communications Strategy in 2017 implementable until 2022. A fundamental difference between the previous strategy and the reviewed strategy is the embracing of social media as one of the key strategic communication platforms for effective and instant communication. Social media has been added as the fourth pillar in the strategy. The strategic thrust of this communication strategy is the following:

- Social media communication
- Information technology-based communication,
- Meet and Greet communication and
- Print communication.

The strength of this communication strategy will lie heavily on social media, meet and greet, and print communication. Information Technology-based communication will be used whenever possible and feasible or whenever resources allow. As a means of interacting and providing information to its communities, the

municipality quarterly distributes its newsletter, Blue Snow, to its communities where communities are kept informed by the developments in their areas. ELM maintains its website, primarily to respond to legislative imperatives but also, developmentally, to provide meaningful feedback to communities.

As part enhancing communication with and within ELM, the municipality has in 2018/19 for the first time developed Social Media Policy; Communication and Media Policy.

1.10.1. Community Participation and Community Issues

Community/Ward Based Planning (CBP/WBP) is a tool that is used to enhance participation of communities in local developmental processes. It was introduced to encourage ownership by communities in any development initiative in their areas. ELM has as in 2017 – 2018 financial year developed Ward Plans in all 17 Wards which are being implemented in 2018 – 2019 financial year with the assistance from Ruliv. The product of this exercise will be, among other things, the updated situational analysis and the understanding of community needs.

ELM has also from 21 to 23 May 2019 embarked on an annual Mayoral Outreach programme and the consolidated community needs per ward will be illustrated in table 8 below.

Ward Committees have been established in sixteen (16) wards of the seventeen (17) wards of the municipality and their term of office will run with the term of Council. The ward that has not yet established its ward committee is due to unresolved community conflicts. Ward Committees contribute tremendously in the development of ward priorities because their meetings are the first level where ward development issues are deliberated. They also play a meaningful role in mobilizing communities to all IDP related gatherings including outreach meetings wherein priorities are recorded in the IDP.

A total of 15 War rooms were established in ELM wards except for two (02) wards which could not be established due to community challenges and non-establishment of ward committees in another ward. Even though War Rooms have been established, their functioning is minimal. A concept of War Rooms was derived from the Integrated Service Delivery Model (ISDM) which was introduced by the National Government under the Office the Deputy President in August 2015. The aim of ISDM was to bring together all service delivery stakeholders to provider services in an integrated manner. ISDM embraces the principles of integration, coordination, collaboration and collocation and works well through partnership in order to rebuild the fabric of society. Ward Rooms refer to a physical space where community meets to resolve, refer, coordinate service delivery and report community issues. Composition of War Rooms should take into consideration stakeholders that exist in that particular Ward such as Traditional Leader, Civil Society structures, community workers, focus groups, business, government departments, etc.

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In all community participation/engagement programs that the municipality is engaging with its communities, the municipality also uses the services of the Community Development Workers (CDWs) that are employed by the Provincial Department of Cooperative Governance and Traditional Affairs. Of the 17 Wards, there is only one (1) Ward that still has no CDW.

The table below will depict issues raised by communities during the Mayor's Outreach:

Table 8: IDP Outreach Ward Priorities

WARD	LIST OF PRIORITIES 23 - 29 MAY 2017	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
1	Fencing of forest, Network for cellphones, SAPS satellite office, completion of access road in Nkalweni and Gqaqhala, Water Boreholes, Daluxolo school renovations, Animal feed, Scholar transport not enough for learners, Access road and water in Maweni, fencing of farmsteads, market for cattle and meat, RDP houses, Community Hall, Access road and clinic in Mtsheqelo, water tanks, Access road in Montgomery and electricity in Montgomery Farm School, Water taps are without water, Access road in Elunyaweni to Mamfengwini, Sanitation for churches, Clean drinking Water in Palisa and Dalibango	<p><u>Trustini / Maweni / Palisa</u></p> <p>Water taps</p> <p><u>Tafeni / Joseph / Mamfengwini</u></p> <p>Access road from main road to Tafeni and access road from DR2018 via Nondaba</p> <p><u>Cicira</u></p> <p>Electricity infills, access road, clean drinking water</p> <p><u>Maplotini</u></p> <p>Access road</p> <p><u>Montgomery</u></p> <p>Jojo tanks</p> <p><u>Joseph</u></p> <p>Access road</p> <p><u>Nigel</u></p>	<p><u>Trustini</u></p> <p>Access road to Zabasa, toilets for new households, clean drinking water, upgrading of playing grounds,</p> <p><u>Nkalweni</u></p> <p>Clean drinking water, free basic electricity, indigent support, clinic, assistance of disaster victims, completion of community hall, electrification of Infills, and library.</p> <p><u>Montgomery</u></p> <p>Access road, electricity at school, clean drinking water.</p> <p><u>Nigel and Cicira</u></p> <p>Water taps</p> <p><u>Lalini and Joseph and Sihlehlani</u></p> <p>Access road</p> <p><u>Elunyaweni</u></p>

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		<p>clean drinking water</p> <p><u>Mission & Nxoxo</u></p> <p>Taps do not have water</p> <p>Maintenance of road from Rocky Park to Nkalweni and Drayini; Access road (Manfengwini); wattle tree cutting (Ngingane)</p>	<p>Completion of electricity infills, non-function of Library, shearing shed, playing grounds</p> <p><u>Drayini</u></p> <p>Access road and playing grounds</p> <p><u>Phalisa and Ntendelese</u></p> <p>Electricity extention</p> <p><u>Luthuthu</u></p> <p>Paypoint, access road to Delibawo</p> <p><u>Nyibiba</u></p> <p>Electricity infills, access road from Langeni road, playing grounds, RDP houses</p>
2	<p>Employment of Youth, Speed humps for all townships, Maintenance of water taps, extension of RDP houses to Old Location, fixing of Faulty electric pole in Mandela Park; fixing of potholes in the pavement to Bhekela, reduction of high crime rate in Bhekela; monitoring of all projects to avoid non-performance, Sports and Recreation Centre, Lower primary school, pedestrian bridge to schools.</p>	<p><u>Old Location</u></p> <p>Access road from Old Location to Bholeni, Sewer tanker, RDP houses, Shelters in bus stops, shelters for hawkers</p> <p><u>Mandela Park</u></p> <p>Road maintenance, new toilets, land for agricultural purposes, sites for farming, sportsfield</p> <p><u>Bhekela</u></p> <p>Road maintenance, sites for churches, Scholar Transport from various townships to ET Thabane School</p>	<p><u>Old Location</u></p> <p>Access road to Bholeni, Maintenance of High Mast lights, Honey sucker</p> <p><u>Mandela Park</u></p> <p>Road maintenance, new toilets, land for agriculture, sites for farming, pedestrian bridge, fixing of water pipes.</p> <p><u>Bhekela</u></p> <p>Road maintenance, drains, community hall, pedestrian bridge</p> <p><u>Ugie Park</u></p>

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			Water pipes, road maintenance, honey sucker,
3	Criteria used in the recruitment of SMMEs, Bridge at Nxomfu, electricity, water and toilets at Tuin-blocks, Water taps in Sithole Park, Fencing of graveyards, Monitoring of projects, transfer of skills by contractors to sub-contractors or SMMEs, RDP houses; streets paving, speed humps.	<u>Clearview</u> Funding and equipment for hospice; RDP houses at the open space in Clearview, <u>Sithole</u> Learner escorts from Sithole to school; <u>Tuin Blocks</u> Electricity in Tuin Blocks; <u>Town</u> Cutting of wattle trees in front of Maclear Hospital, stormwater drainage, pavement and maintenance of access road (Town)	<u>All townships</u> <ul style="list-style-type: none"> • Water is not available in the taps • Fencing of quarry. • New descent toilets must be built • RDP Houses. • Building of a mall was promised but never built. • Stormwater drainage system in all streets in town especially next to the hospital. • Monitoring of projects • Trained SMEs must be given opportunity in government tenders • Street cleaning in all townships • Electricity infills • Title deeds • Sucking of toilets • Fencing of graveyards • Proper purification of water <u>Peter Mokaba</u> <ul style="list-style-type: none"> • Pedestrian bridge for children to school • Grazing land for animals
4	Access road and a bridge to Mlamla village and school, Bridge to Komkhulu, completion of bridge to Namba, pedestrian crossing bridge in Komkhulu, Access road	<u>Upper Tsitsana</u>	<u>Sigoga</u> Water, access road, electricity infills, <u>Komkhulu Village</u>

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	<p>from Qobeni to Mission; Blading of access road in Mvumangwe and Komkhulu, Access road from Sigoga, Pay points in Upper Tsitsana and Mdeni JSS, electricity in Platana and Part of Mabalane, Infills in Sakhuthe, Blading of sportsfield in Upper Tsitsana, Tsikarong and Mlamla, Network access in Sakhuthe and Mlamla, TV & Radio signals, Clean drinking water for Mlamla, Tsikarong, Kotloanong, Sigoga, Ngqwaneni, Ndingeni, Mission and Qobeni, RDP houses, Community Hall, Scholar transport to Mhlontlo due to subjects that are not offered by Tsitsana Comprehensive School.</p>	<p>Pedestrian bridge to Komkhulu, free public phone to call Eskom, RDP houses, water taps closer to households, pension paypoint,</p> <p><u>Matuguru</u></p> <p>Reconstruction of Bridge, RDP houses</p> <p><u>Lower Tsitsana / Qobeni</u></p> <p>Access road from Mabheleni to Qobeni via Mission to the road to Upper Tsitsana, Colbert at Gxubane river, RDP houses.</p> <p><u>Platana</u></p> <p>Access Road, RDP houses</p> <p><u>Mission</u></p> <p>Medication in clinic , RDP houses, Community hall</p> <p><u>Tsikarong</u></p> <p>Water taps in streets, access road, RDP houses</p> <p><u>Mabalana</u></p> <p>Electricity, Water, Access road, RDP houses</p> <p><u>Namba</u></p> <p>Clean drinking water, RDP houses</p> <p><u>Khohlomriti</u></p> <p>Access road to Bhekela, RDP houses</p> <p><u>Sigoga</u></p>	<p>Water, RDP, bridge and pedestrian bridge</p> <p><u>Mlamla Village</u></p> <p>Gravel for access road, culvert,</p> <p><u>Mcwangele Village</u></p> <p>Scholar transport, toilets, bridge, access road</p> <p><u>Qobeni Village</u></p> <p>Road maintenance from Qobeni to Kohlomoriti,</p> <p><u>Matuguru Village</u></p> <p>Bridge;</p> <p><u>Namba Village</u></p> <p>Bridge from Namba to Sakhuthe, access road;</p> <p><u>Elundini Village</u></p> <p>Access road, toilets, water tanks, fixing of network problem, bridge, community hall</p> <p><u>Tsikarong Village</u></p> <p>Water, toilets</p>
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		<p>Access road, water, pension paypoint, RDP houses</p> <p><u>Nqwaneni</u></p> <p>Access Road to Mcwangele, RDP houses</p> <p><u>Mlamla</u></p> <p>Three colberts in Mission, Komkhulu and Mlamla, RDP houses</p> <p><u>Popcorn valley</u></p> <p>Stormwater drainage system, construction of streets, RDP houses</p> <p><u>Elundini</u></p> <p>Network, electricity, RDP houses, Access Road to Mokgorwane</p> <p><u>All villages of the ward</u></p> <p>RAFI Programme, Dish for TV signal</p>	
5	<p>Toilets not completed; Access road from Qolombana, Bhantini and Diphini, electricity and water tanks in Ntushuntushu, employment of age 36-59 communities and employment of communities from rural areas in the six month EPWP contracts, access road to Mcwangele JSS and to the village, electricity Infills and water tanks in Mcwangele, bridge in Ngxaza, access road, electricity Infills and drinking water in Sithana,</p>	<p><u>Hopedale / Ngxaza /Lower / Mountain</u></p> <p>Community Hall, 2 bridges between Hopedale and Mbonisweni, Low-lying bridge in Lower Ngxaza, Access road in Mountain, Kwatsha to Hopedale and Sidakeni, Speed Humps and sucking of toilets, water tanks or drinking water.</p> <p><u>Ntabelanga</u></p>	<p><u>Ntabelanga</u></p> <p>Road Maintenance, Electrification of RDP Houses</p> <p><u>Goniwe</u></p> <p>Blading of access roads, protection of spring water, RDP houses, water taps.</p> <p><u>Sithana</u></p>

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	<p>access road from St Augustine bus-stop to the village, renovations of Goniwe SPS, electricity Infills, toilet Infills and RDP houses in St Augustine, access road and water in Mdeni, electricity Infills and upgrading of electricity in Ntabelanga, supply of gravel for EPWP workers, water tanks and maintenance of gravel road, RDP houses, clean drinking water, electricity and toilet Infills in Mbonisweni and Ngxaza, fencing of mielie fields and cutting of wattle trees in Mountain, access road, dipping tanks and shearing shed in Mountain, service delivery in Kwatsha.</p>	<p>Access Road, Water taps, RDP houses, Electrification of infills, Toilets, Mobile Police Station, Building of pre-school, reconstruction of national road, Medical doctors at least three times a week in clinic</p> <p><u>Upper/LowerNtywenka / Mpunkone</u></p> <p>Access road, water and water taps, RDP houses, pre-school.</p> <p><u>Sithana</u></p> <p>Access Road, Water, Grading of roads, employment opportunities</p> <p><u>Ntushuntushu</u></p> <p>Electrification of 19 infills, network poles, RDP houses, road maintenance</p> <p><u>Ngcele</u></p> <p>Water, Early Childhood Development Centre, school visits by Home Affairs</p> <p><u>Mbonisweni</u></p>	<p>Blading and construction of access road, water, fencing of mielie fields, completion of toilets,</p> <p><u>Lower Ngxaza</u></p> <p>Completion of toilets</p> <p><u>Mountain Road</u></p> <p>Blading and construction of access road, electrification of RDP houses, problem of bridge, fencing of mielie fields, water taps, temporal structure for destitute,</p> <p><u>Ngcele-Kwatsha</u></p> <p>Blading and construction of access road, RDP houses, toilets for new households,</p> <p><u>Mtshezi</u></p> <p>Water taps, Community Hall, toilets for new households, Pre-school, blading of village roads, fencing of mielie fields,</p> <p><u>St Augustine- Mahlubini</u></p> <p>Road Maintenance, water not available from the water taps, reconstruction of bridge to the village</p> <p><u>Hopedale</u></p> <p>Blading of access road, water taps, electrification of 16 households, toilets for 26 households, CPLW for Zwelitsha</p> <p><u>All villages</u></p> <p>Free Basic Electricity, electrification of extensions.</p>
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		Access road, RDP houses, Bridge in Ngxaza and Diphini, repair of stormwater pipe, soil rehabilitation	
6	Water for all villages; maintenance of road in Mqokolweni and Siqhungqwini, Dangerous topping in Gabhele Road Rough coat is urgently needed and must also be extended to Esikhawini, construction of road in Ntywenka plantation, gravel access road from Mtshemla busstop to Ezifletini location and from Afrika to Ngcele JSS and to the crèche in Down location, skills centre; police station; Gravel must be supplied for EPWP workers, water tanks for Pre-school, early childhood development centre in Mqokolweni, blading of sportfield, supply of kit and balls for local clubs, clinic for Lower and Upper Esinxako, Siqhungqwini and Mabheleni, employment of local contractors, community hall, disaster houses in Qulungashe and Somerville, protection of rivers, support to Lower Sinxako Pre-School	<p><u>Gugwini / Queen Noti Clinic</u></p> <p>Construction of access road to clinic, access road from Ntlangeni Busstop to Jamangile SSS, extension of clinic size, services and addition of staff, security guards at Jamangile SSS, digging of boreholes</p> <p><u>Upper Ntywenka</u></p> <p>Access road construction from Bottle Store busstop to cross Upper Ntywenka village and join the access road in Mtshezi.</p> <p><u>Eziflatini</u></p> <p>Construction of access road from Mtshemla busstop to Eziflatini, clean drinking water, fencing and building of day care centre, RDP houses.</p> <p><u>Ngcele</u></p> <p>Access road construction from Queen Noti, Ngcele, Eziflatini and Ngcele Down, High mast lights, chemical to treat Jojo tanks, sucking of toilets</p> <p><u>Mqokolweni</u></p>	<p><u>Egugwini</u></p> <p>Access road to clinic for health and other services.</p> <p><u>Ngcele</u></p> <ul style="list-style-type: none"> • Access road on main road via Jamangile to target major routes, • Main road via Queen Noti, Ngcele, Eziflatini and Ngcele down • High mast lights because of crime • Chemical to treat germs from the existing household tanks • Sucking of toilets <p><u>Mqokolweni</u></p> <ul style="list-style-type: none"> • Access road was done but not finalised and it also needs maintenance. • Pedestrian bridge for school children • Toilets for the clinic and extension of the clinic even if it is a container • Electrification of security building at the clinic • Bridge at eMaxesibeni and Mpukane

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	<p>Access road and bridge, toilets for the clinic, extension of clinic size or provision of temporal structure.</p> <p><u>Ngxoto</u></p> <p>Water, access road, electricity</p> <p><u>Ngcele Down & Komkhulu</u></p> <p>Blading and maintenance of access road, speed humps, RDP houses</p> <p><u>Lalini</u></p> <p>Soil erosion, RDP houses, maintenance of access road.</p>	<ul style="list-style-type: none"> • Regular government visits to early childhood development centres • Intensive monitoring of contractors <p><u>Mpukane</u></p> <ul style="list-style-type: none"> • Access road because vehicles cannot access the village. • Sports field • RDP houses • Electricity for infills and new households and poles for extensions • Urgent attention must be given to storm water pipes that overflow to the house of the community member. <p><u>Jamangile S. S. S.</u></p> <ul style="list-style-type: none"> • Request access road via Jamangile when it is raining the school is inaccessible • Request for the adoption of school by Municipality because this is one of school with unique streams like Engineers, welding and drawing • Request security guard at school • Finalisation of Ngcele sports field • Request boreholes to supply community with water
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			<ul style="list-style-type: none"> • Ngxotho access road to be built for ease of access of children to Jamangile <p><u>Ngxotho</u></p> <ul style="list-style-type: none"> • Water, municipality to provide water tanks, access road, electricity, bridge <p><u>Nkolosane</u></p> <ul style="list-style-type: none"> • Construction of road not completed • Fixing of blocked storm water • RDP houses • Clean drinking water, people are drinking with animals <p><u>Qurana</u></p> <ul style="list-style-type: none"> • Increase number of Mayoral Cups biannually. • Sportsfield in Qurana and Sommerville <p><u>Siqhungquni</u></p> <ul style="list-style-type: none"> • Closing of Donga's caused by soil erosion • Maintenance of access road • RDP Houses • Dipping tanks <p><u>Eziflatini</u></p> <ul style="list-style-type: none"> • Access Road, access to clean purified water <p><u>Queen Noti Clinic</u></p> <ul style="list-style-type: none"> • Construction of access road, <p><u>Upper Ntywenka</u></p> <ul style="list-style-type: none"> • Access road, Water, electricity for new households <p><u>Lower Ntywenka</u></p> <ul style="list-style-type: none"> • Access road from Phelandaba to Ntywenka JSS
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			<ul style="list-style-type: none"> • Water • RDP houses <p><u>Lower Sinxako</u></p> <ul style="list-style-type: none"> • Access road <p><u>Upper Sinxako</u></p> <ul style="list-style-type: none"> • Request access road • Request water engine has problems
7	Maintenance of Access Road DR 78, some households in Elalini do not have toilets, electricity and toilets for churches, Community hall in Ellalini, water taps and electricity in Elalini, electricity and water in KwaZulu, pedestrian bridge and RDP houses in Golomane, extension of water taps to Magwaca, Bridge from Ngqayi to Sophonia, Maintenance of bridge in Fokotsana, drinking water in Ramatee, Maintenance of DR road from Tshikitsha to Ntaboduli, water and RDP Houses in Tshikitsha, RDP houses and JS School in Botsabelo, high accident rate because of narrow road in Platana, space for soup kitchen project, cleaning of pipes in Magombe bridge	<p><u>Sophonia</u></p> <p>Satellite Police Station</p> <p><u>Esigcwabeni</u></p> <p>Access road from kwaZulu Police Station to Esigcwabeni</p> <p><u>Bothsabelo</u></p> <p>Maintenance of Ngqayi Bridge</p> <p><u>Mafusini</u></p> <p>Access Road</p> <p><u>Magwaca / Nkahlulo</u></p> <p>Access Road between Nkahlulo and Ezigatini, Cutting of trees / bush at Nkahlulo JSS</p> <p><u>Marhoqa</u></p> <p>Access Road</p>	<p><u>Mafusini</u></p> <p>Water, bridge from Katkop to Mafusini and Nkunyana.</p> <p><u>Ngqayi</u></p> <p>Water, Mobile Clinic, bridge from Botsabelo to Diphini</p> <p><u>Zwelitsha</u></p> <p>Road maintenance, bridge, community hall, RDP houses, new shearing shed closer to the community</p> <p><u>Ngxaxha</u></p> <p>Electricity, Road maintenance and a bridge, RDP houses, Water, shearing shed.</p> <p><u>Khohlombeni</u></p> <p>Access road and two (2) bridges, RDP houses</p> <p><u>Tyeni</u></p> <p>Access road from clinic to Kat-Kop, pre-school, RDP houses</p> <p><u>Golomane</u></p> <p>Road construction, water, police patrol, two bridges</p>

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			<p><u>Marombe</u> Road maintenance, bridge from Marombe to Nkahlulo JSS, pre-school</p> <p><u>Magwaca</u> Toilets, bridge to Nxaxha</p> <p><u>Sgcwabeni</u> Pre-school teacher, bridge, access road</p> <p><u>Mbekweni</u> Water, Bridge to Nkunyana school</p> <p><u>Kat-Kop</u> Shearing shed, Water, addition of nurses at the clinic, community hall, access road, playgrounds</p> <p><u>Goji Village</u> Community hall, access road from school and its maintenance.</p>
8	Community hall, reduction of crime rate, sportsgrounds and electricity line in Luzie Drift, electricity in Moreneng, community hall, clinic and access road in Jojweni, electricity and clinic in Nkobongo, water tanks and pre-school in Luzie Port, electricity , water and gravelled access road in Ntabelanga, scholar transport distance is not enough in	<p><u>Luzie</u> Upgrading of Access road to Pitseng, construction of speed humps opposite school, construction of pedestrian bridge, electrification</p> <p><u>Ntabelanga</u> Electrification of all households, upgrading of access road, shortage of water</p>	<p><u>JOJWENI</u></p> <ul style="list-style-type: none"> • Theft of live stock • Request electricity in the village • Request sport field • Request toilets at Jojweni <p><u>BATLOKOA</u></p> <ul style="list-style-type: none"> • Request RDP housing • Request access road from R56 road to the village

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	<p>Nkamane, electricity, community hall and road gravelling in Mokhalong, speed humps, electricity, water, toilets and access roads in Pitseng, water, gravelled access road and maintenance of toilets in Dithuteng.</p>	<p><u>Mfanta</u> Construction of decent toilets, provision of gravel to maintain roads, protection of springs, fencing of fields</p> <p><u>Luzie Poort</u> Water, upgrading of access road, maintenance of pedestrian bridge, provision of water tanks</p> <p><u>Moreneng</u> Electrification of households, provision of VIP toilets, Water, RDP houses, Upgrading of Access road from Chief Lehana's place to Mabambeni, construction of clinic</p> <p><u>Pitoli</u> Upgrading of access road from R56 to Nkobongo, bridge, electricity</p> <p><u>Sigodini</u> Construction of community hall, electrification of infills, toilets for infills, upgrading of access road, maintenance of springs</p> <p><u>Lithuteng</u> Gravelling of access road, Water, toilets</p> <p><u>Mokgolong</u></p>	<ul style="list-style-type: none"> • Request clinic near the school <p><u>MABAMBENI</u></p> <ul style="list-style-type: none"> • Request water in the village • Request electricity • Request Pre-school for children • Request toilets <p><u>UMFANTA AND NTABELANGA</u></p> <ul style="list-style-type: none"> • Request addition of water taps in the village • Request gravel for access road • Request clinic • Request electricity at Mfanta not all household have electricity • Request RDP housing <p><u>MOROKA</u></p> <ul style="list-style-type: none"> • Request gravel on the road from R56 to Moroka • Request better toilets • Request Clinic • Request community hall • Request sport fields for youth • Request electricity <p><u>LUZIE DRIFT</u></p> <ul style="list-style-type: none"> • Access road at Maqalaneng from DR01808 to Junior • Access road from DR01808 via the shearing Shed • Request water • Request sport field <p><u>DITHUTENG</u></p> <ul style="list-style-type: none"> • Request access road to be expanded to the end of the village • Request water
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		Electrification of households	<p><u>MOKGALONG</u></p> <ul style="list-style-type: none"> • Request access road to be gravel • Request electricity • Request sharing shed <p><u>NKAMANE</u></p> <ul style="list-style-type: none"> • Request access road to be revised with gravel • Request electricity • Request water <p><u>NKOBONGO</u></p> <ul style="list-style-type: none"> • Access road towards Nkobongo from the R56 at Zwelitsha the small bridges have been damaged by the summer rains • EPWP not doing road maintenance • Request electricity • Request water <p><u>MORENENG</u></p> <ul style="list-style-type: none"> • Request access road through the village towards the plantation which is also very busy towards removal of the black wattle tree. • Castle rocks village Sgoga request access road with a bridge over the bottom part of Luzie River. • Request electricity • Request water • Request sharing shed <p><u>NTABELANGA</u></p> <ul style="list-style-type: none"> • Request electricity • Request water <p><u>MAKHANDLELENI</u></p>
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			<ul style="list-style-type: none"> Request electricity <u>SIGODINI</u> Request water <u>ZIGADINI/ZIMBANE</u> Request water <u>MBIZENI</u> Request water <p>The Youth also requested if one of the schools that are said will be closed they request for one of those to be made a school where the youth could be taught technical type of work.</p>
9	Tar road with speed humps, attendance of illegal connection of water at Nkululekweni, early childhood development centre, Tar road from Mt Fletcher to Barkly via Mbizeni, Speed humps between Taylor Bequest and Education, banks in town, Access road at Ethembeni, Clinic in town, Middle income houses, electricity at Ephanette Mbeki, renovations at Transido, electricity in Tambekeni, High mast lights in Ekuthuleni	<p><u>Ephanette Mbeki</u></p> <p>Electricity instead of solar system</p> <p><u>Town</u></p> <p>Speed humps next to Mount Fletcher High school, clinic</p> <p><u>Katlehong</u></p> <p>Maintenance of access road</p>	<p><u>All townships</u></p> <p>Upgrading of electricity, upgrading of sanitation, fencing of graveyards</p> <p><u>Thembeni</u></p> <p>Sanitation system</p> <p><u>Solomzi</u></p> <p>Building of Ilingeletu school, speed humps at Mjamba street.</p> <p>TOWN</p> <p>Banks, municipal seat to be Mount Fletcher, sucking of toilets, removal of skip bins next to the households,</p>

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			enforcement of by-laws, distribution of refuse bags, collection of refuse
10	Access roads, water and toilets, electricity in Gobho, Potsef and Tambekeni, RDP houses, community hall, clinic, fencing of mielie fields, construction of sportsfield	<p><u>Mathafeni No. 1</u></p> <p>Water, electricity for infills</p> <p><u>Skote</u></p> <p>Road maintenance, electricity, community hall, RDP houses</p> <p><u>Siyalwini</u></p> <p>Electricity, bridge and road maintenance, RDP houses, water</p> <p><u>Mpharane</u></p> <p>RDP houses, Access road from R56 to Mpharane, water taps nearer the households, electricity for infills</p> <p><u>Mjika</u></p> <p>Access road from Nkalweni to Silindini, water, RDP houses</p> <p><u>Xaxazana</u></p> <p>Sportsfield, RDP houses, projects for job creation</p> <p><u>Nkalweni</u></p> <p>Water, two bridges</p> <p><u>Westhoek</u></p> <p>Water, Road, electricity</p>	<p><u>Skote</u></p> <p>Clinic, RDP Houses, electricity, monitoring of projects like road construction since culverts seem to be badly installed.</p> <p><u>Nkalweni</u></p> <p>Water, non-attendance of these meetings by other government departments, community hall, toilets for churches, opening and closing hours of the clinic not suitable for emergencies,</p> <p><u>Westhoek</u></p> <p>2019/2020 Service delivery plan for Westhoek, service delivery complaint channels, non-employment of communities from 36 years, problem of not RDP houses not built for someone who worked before.</p> <p><u>Ezingonyameni-Emizini</u></p> <p>Water, access road to schools and shearing shed</p> <p><u>Esilindini</u></p> <p>Water, honey-sucker, access road and bridge,</p> <p><u>KwaDzingwa</u></p> <p>Access road in Mahobe must be extended to Plantation village, capacitation and equipment for farming</p>

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			<p><u>Plantation-Tsolobeni</u></p> <p>Electricity needed urgently because of high crime rate</p> <p><u>Mathafeni No.1</u></p> <p>Completion of toilets</p> <p><u>All villages</u></p> <p>Issuing of trading license, emerging contractors have registered in government databases but are not considered.</p>
11	Protection of spring water; pedestrian crossing bridge; construction of road; RDP Houses; water; electricity; community hall; electrification of Infills; access road; electrification of schools and police station	<p><u>Gobho / Tinana</u></p> <p>CDW for the ward, no water, taps are not working, ±16km access road and a bridge</p> <p><u>Ntatyana / Lugcadweni</u></p> <p>Access road and road maintenance, colberts and bridges, maintenance of bridge</p> <p><u>Fairview / Lubisini</u></p> <p>Water, Community hall, RDP houses, VIP toilets</p> <p><u>Mpisi</u></p> <p>VIP toilets</p> <p><u>Dengwane</u></p> <p>Toilets, maintenance of access road, grading of sportsfield, reconstruction of bridge</p>	<p><u>All wards</u></p> <p>Urgent attention on the issue of age restriction for employment in EPWP.</p> <p><u>Thambekeni</u></p> <p>Toilets for new households; electricity infills, access road</p> <p><u>Dengwane</u></p> <p>Water taps, mobile clinic, toilets, building of dam, electricity infills</p> <p><u>Fairview</u></p> <p>Water taps, access road, electricity infills.</p> <p><u>Lugcadweni</u></p> <p>Borehole</p> <p><u>Lubisini</u></p>

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			<p>Playgrounds</p> <p><u>Fletcherville</u></p> <p>Toilets are broken, they need to be reconstructed</p> <p><u>Gobho</u></p> <p>Mobile clinic,</p>
12	<p>Sportsgrounds, rebuilding of collapsed bridge, water taps, grading of sportsground, community hall in Moleko, access road, sanitation fencing, street lights, access road and electricity in Popopo, Community hall and RDP houses in Popopo, access road Moholalweni, bridge, access road to Madomasini school, water and access road in Moholalweni East, Sportsfield and High School, Access road and water taps in Polokoe, access road and RDP houses in Ntabayikhonjwa, Water, bridge, school and community hall in Ntabayikhonjwa, access road, RDP houses, Pre-school and bridge and Mahananyeni</p>	<p><u>Ntabayikhonjwa</u></p> <p>Access road, repairs of damaged bridge, VIP toilets, clean drinking water / water taps, community hall</p> <p><u>Lehlakaneng</u></p> <p>Access road</p> <p><u>Ngoliloe</u></p> <p>Access road to Gengxe, Mobile clinic, community hall, scholar transport for learners from Ngoliloe to Sidinane SSS, Early Childhood Development Centre, fencing of mielie fields, RDP houses</p> <p><u>Mangoloaneng</u></p> <p>Access road to Madumasini, Free Basic Electricity, extension of clinic, VIP toilets suitable for disabled people, pedestrian bridges for learners</p> <p><u>Mahanyaneng</u></p>	<p><u>Setaka and Moleko</u></p> <ul style="list-style-type: none"> • Paypoint for old age • Request access road vehicle cannot access the villages • Soil erosion • Request mobile clinics • Request employment • Request community hall renovations • Request bridge when the is heavy rains the cannot pass • Request sport field and assistance in sport to alleviate high rate of crime <p><u>Polokoe</u></p> <ul style="list-style-type: none"> • New toilets • Speed humps at Zwelitsha • Access road from Polokoe to R56 road • Water engines have problem request electricity pumps

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	<p>Repairs of damaged bridge, access road, RDP houses, rehabilitation of dongas</p> <p><u>Popopo</u></p> <p>Water, RDP houses, VIP toilets, Community Hall, Trimming of forest, access road to Thabakgubedu</p> <p><u>Polokoe / Zwelitsha</u></p> <p>Access road from Zwelitsha, Polokoe to Tabatlala, new generator to pump water, rehabilitation of dongas</p> <p><u>Tabatlala</u></p> <p>Bridge, Community Hall, water taps</p> <p><u>Setaka</u></p> <p>VIP toilets, community / pension hall, access road, cutting of trees, dipping tanks, sportsfield</p> <p><u>Moleko</u></p> <p>Water pump must be changed from generator to electricity</p> <p><u>Madumasini</u></p> <p>Access road to Mangoloaneng, Water, RDP houses, soil rehabilitation, access roads in the streets of Madumasini</p> <p><u>Kinira Poort</u></p>	<ul style="list-style-type: none"> • Mobile clinics • Project for rehabilitation of dongas/ soil erosion the community members once benefited from that project • RDP houses are not the same with new ones • RDP house was burnt request new house. <p><u>Mahanyeng</u></p> <ul style="list-style-type: none"> • Bridge <p><u>Lehlakaneng</u></p> <ul style="list-style-type: none"> • Request access road • Request bridge • Request paypoint for old age • Request water • Request pre-school <p><u>Moleeko</u></p> <ul style="list-style-type: none"> • Spring Water protection • Access road vehicles cannot access the village • Bridge <p><u>Mangoloaneng</u></p> <ul style="list-style-type: none"> • RDP houses • Water taps • ELM to monitor project • Pre-school • Request access road at Madumasini
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		<p>Solid bridge, new VIP toilets, RDP houses, clinic, rehabilitation of dongas, electricity for infills, pre-school, building or renovation of Morulane PS, sportsfield for youth</p>	<ul style="list-style-type: none"> Clinic must be improved, the one available is too small and has no confidentiality Community hall, SASSA hall which has been used needs renovations <p><u>Popopo</u></p> <ul style="list-style-type: none"> Water, toilets, soil rehabilitation, access road <p><u>Ntabayikhonjwa</u></p> <ul style="list-style-type: none"> Water, RDP houses, Bridge, soil rehabilitation, community hall, pre-school, electricity Infills/ extensions, fencing of graveyard
13	<p>RDP houses in Khorong, Clinic, cutting of wattle trees, sportsgrounds, EPWP program monitoring, electricity in Khorong, kitchen hall at Ntuku SPS, electrification of Seqhobong clinic, mobile clinic schedule for Mohoabatsane, satellite police station in Koebung and Avondale, blading of T74, clinic and electricity in Pirintsu, cutting of bushes, access road maintenance, RDP Houses and Community hall in Makwatlane and Sethathi, clinic, electricity, network and community hall in Nxotshana, sportsgrounds and access road to the pre-school in Sethathi, cutting of bushes and community hall in Koebung, youth development and network coverage, water and community in Tabase,</p>	<p><u>Koebung</u></p> <p>RDP houses, Police station, Completion of toilets, MTN network transmitter, Clinic to also service Sethathi, Mashata and Mohoabatsane, Access Road to Somerset, repair of water pipes, Electricity, Community Hall</p> <p><u>Seqhobong</u></p> <p>Ambulances in clinic, Network coverage</p> <p><u>Mohoabatsane</u></p> <p>Windmills and dams, Access road to Khorong, Access road from T74 to Toropong, RDP houses, completion of toilets, 250 chairs for the</p>	<p><u>Setati</u></p> <p>Fixing of water taps that are not working, tar road from Xaxazana to Thaba Checha, access road from Setati to Freyistata, cutting of wattle trees.</p> <p><u>Ntoko</u></p> <p>Electricity Infills, boreholes, access road from Ntoko, monitoring of funded projects, clinic at Mohoabatsane, consideration of</p> <p><u>Mohoabatsane</u></p> <p>Involvement of community members during hand-over of projects that are constructed in rural areas for the community members to lodge complaints where necessary, fixing of old boreholes, RDP houses, toilets for</p>

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	access road from Tinana to Zidrayini, access road and school development in Seqhobong	community hall, Shearing Shed, Electricity in Pre-school. <u>Ntoko</u> Access Road, kitchen at the school <u>Nxotshana</u> 12 VIP toilets, Network, Rehabilitation of dongas.	new households, electricity Infills, electricity for Utiwanang Pre-school, Vodacom network pole, fixing and extension of water taps <u>Seqhobong</u> Access road from the shop to Matabaneng <u>Makoatlana and Dephofung</u> Community hall, RDP houses.
14	Access road to T78 to Gaseti, toilets in Ntabelanga, bridge from Refelle/Tokoana to Basieng, pedestrian bridge from Ntabelanga to Setabataba, Network/signal for cellphones, Electricity, Access road and water in Phirintsu/Putting, extension of water taps in all villages, employment opportunities, access road to Liphofung, toilets in Taung, maintenance of T8 road to Gaseti	<u>Sathube</u> Access Road to 2 Roses for sand mining. <u>Vuvu</u> Bridge, Rooi-cat challenge killing livestock <u>Bethania</u> Paraffin supply <u>Refele</u> Electricity, Sportsfield, Assistance with registration of projects <u>Ditaung</u> Electricity, Fencing of graveyard	<u>Phuting Village</u> <ul style="list-style-type: none">• They requesting water tanks;• They requesting access road; <u>Vuvu Village</u> <ul style="list-style-type: none">• They requesting water;• They requesting scholar transport;• They requesting bridge;• They requesting use of existing material to provide bridge;• They had a problem of network the whole ward.
15	Tar road from Mount Fletcher to Barkly East via Rhodes; electricity Infills, network in Khohlong, part of Khalatsu, Tsekong, Liphofung, Basieng and Lower Tokoana, Scholar transport from Khalatsu to Lehana SSS, clinic in Khalatsu, Toilet and pedestrian bridges in	<u>Khorong</u> Access road to Tsekong and Lehana School <u>Nkululekweni</u> Water taps do not have water <u>Kutloanong</u>	<u>Tsekong</u> <ul style="list-style-type: none">• Access Road• Clinic• Water is locked by the Municipality• Network pole• Sport field grounds• Electricity Infills

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	<p>Tsekong, Basieng and Khalatsu, RDP houses, v-drains in Nkululekweni, increament of rates on contracted operators by scholar transport, attendance of invasion of land earmarked for development of Mt Fletcher mall.</p>	<p>Legal water connections, in-house water connections</p> <p><u>Diphofung</u></p> <p>Access road,</p> <p><u>All villages of the Ward</u></p> <p>RDP Houses in the yards, Naming and signage of all roads, building of juvenile prisoner for young perpetrators, graveyard fencing, building of community hall, electricity connections, Sports field, Clinic, Police Station, Cellular network pole, Proper infrastructure for preschools</p>	<p><u>Nkululekweni</u></p> <ul style="list-style-type: none"> • Toilets are not completely done • Gravel heaps • Water challenge • Back of the Horizon must be written in 3 languages • Truck of gravel heaps for EPWP workers • High mast lights are needed <p><u>Liphakoeng</u></p> <ul style="list-style-type: none"> • Renovation of damaged toilets • Electricity
16	<p>Upgrading of access roads in the following villages: Nkalweni, Mfengweni, Nkangala, Ndingo, Zinkumbini, Njaboya, Msasangeni, Taung, Bhantini, Mngcutha, Sekgutlong, Qolweni, scholar transport for junior phase, high mast lights, water taps, construction of school in Hlankomo, walking bus, upgrading of bridges in the following roads: Mngcutha to Mhlontlo SSS, Tsekweni to Frank Moshoeshoe JSS, Msasangeni to Mhlontlo JSS, Chavy Chase, Mdeni to Mhlontlo SSS, upgrading of sports grounds, reduction of high crime rate, toilets in Msasangeni, construction of community</p>	<p><u>Sihom</u></p> <p>Electricity infills, access road</p> <p><u>Koloni</u></p> <p>Access Road</p> <p><u>Chevy-chase</u></p> <p>Proper construction of bridge</p> <p><u>Mdeni</u></p> <p>Community Hall, abolition of drug abuse</p> <p><u>Msasangeni</u></p> <p>Culverts for all roads</p> <p><u>Karadokhwe</u></p> <p>SAPS visibility and patrol</p>	<p><u>Frank</u></p> <p>Clinic, electricity Infills at Sihom</p> <p><u>Khethekhethethe</u></p> <p>Water, Electricity, Clinic, employment of people of over 35 years, Nkalweni access road, toilets for churches,</p> <p><u>Ndingo</u></p> <p>Access road from Magedla to Mhlontlo, bridge, electricity, RDP houses</p> <p><u>Nkangala</u></p> <p>Access road from KwaZulu to Magedla, electricity, Spring water protection, library, community hall, free basic electricity,</p>

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	hall, electrification of outstanding villages, water to all villages and protection of springs	<p><u>Nkangala</u> Water, Access road</p> <p><u>Koloni / Mcutha</u> Access road</p> <p><u>Mcambalala</u> Culverts, maintenance of roads</p> <p><u>Mlube</u> Water, improvement of standard of access road and maintenance</p> <p><u>Ward</u> Upgrading of electricity, shortage of staff in Hlankomo clinic, high mast lights, mall</p>	<p><u>KwaZulu</u> Protected spring water, electricity, lack of monitoring of all projects, clinic, completion of the 56 toilets, ill-treatment of established committees by JOGEDA</p> <p><u>No. 5</u> Electricity, toilets, playing grounds</p> <p><u>Msasanga</u> Bridge, access road from Robert, clinic, gravel,</p> <p><u>Sihom</u> Electricity, attention on disaster challenges, quick response of ambulances when called</p> <p><u>Chevy chase</u> Electricity, clinic</p> <p><u>Nondyandya</u> Electricity</p> <p><u>Koloni</u> Maintenance of access road from Koloni to Mhlontlo with extensive monitoring.</p>
17	Mobile clinic, fencing of ploughing fields, reconstruction of access road in Mbidlana, EPWP workers to maintain access road between Mbidlana and Gqaqhala, additional classroom in Mbidlana JSS,	<p><u>Greenfields</u> Water is of high priority, mobile clinic, pins to identify erven, land for ploughing</p> <p><u>Vincent</u></p>	<p><u>Gqaqhala-Ndoda</u> Bridge in Ndlozi to Samuel, Access road at Ntshontsho, Borehole at Nodada mountain</p> <p><u>Gqaqhala</u></p>

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	<p>water and cutting of wattle trees in Mbidlana, sport for children and elderly people</p>	<p>Water, sucking of toilets, construction of roads in all streets, sport facilities and equipment, social grants for destitute, youth programs</p> <p><u>Mbidlana</u></p> <p>Electricity for infills, reconstruction of access road near the bridge, clinic, sportsground</p> <p><u>Robben Island</u></p> <p>Early Childhood Development Centre, completion of road construction.</p>	<p>High masts lights, water tap in each household, cutting of wattle trees, DRDAR must assist with seedling and other projects, maintenance of Thaleni access road.</p> <p><u>Ugie</u></p> <p>Maintenance of access roads</p> <p><u>Mbidlana</u></p> <p>Network pole, high mast lights, clinic, playing grounds.</p>
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1.11. Community Involvement to Social Cohesion Programs

The ELM has a Mayor's Social Investment program which also contributes to the nation building has three pillars as follows:-

- ❖ Bursary – helps students from destitute families by paying for tuition and accommodation.
- ❖ Adopt-a-school – is aimed at assisting schools with immediate requirements while the Department of Education is still planning for the improvement of the school.
- ❖ Bridge of hope – is directed to help needy families.

ELM has also employed one hundred and sixty five (165) unemployed young people as Community Participation Liaison Workers (CPLWs) from each village of the municipality. The CPLWs are an attempt to close the social gap between the councillor and the communities. CPLWs visit household by household in their duties of information dissemination. CPLWs act as administrative support to community meetings and also in the dissemination of information from the Council and government departments.

ELM hosts and organizes Mayoral Cup as an annual sporting event that is aimed at uniting young people in the municipal area. The program is contributing to the development of youth in different sporting codes. The elimination process starts from ward level and this helps in building cohesion amongst communities as winners progress to represent clusters and regions of the municipal area during the roll out of the program.

1.12. Inter-Municipal Planning

ELM has during the financial year 2016/17 entered into the inter-municipal planning with the City of Cape Town for the Inner City Precinct in order to be able to develop better and suitable plans for the towns of Maclear and Ugie which has since been completed. The municipality has also undertaken a study with the towns of Riverside and Knysna in the Western Cape to learn best practices around the functioning and operations of their SHARED fire services. Following the visit an agreement was then concluded by both the district and Elundini local municipality to adopt the model as investigated and recommended in terms of the section 78 study conducted by the Joe Gqabi district municipality. Council has since passed a resolution in principle approving the shared fire services model pending its finalization by and between the two municipalities. We continue to engage with the district on updates and progress towards finalization and eventual implementation of the model. Parties to the model are the JGDM, Elundini municipality as well as the Department of Environmental Affairs.

2. SECTION B: UPDATED SITUATIONAL ANALYSIS

2.1. Elundini Local Municipality Profile

The Elundini Local Municipality (ELM) is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province. The municipality is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, and Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of its geographical area. The Elundini Local Municipality is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources.

The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors. There are very low levels of employment in the rural settlements. This can be partly attributed to the fact that these areas do not have a strong economic base, and partly to the fact that most inhabitants are involved in subsistence-related activities with little surplus being produced for economic profit. Due to the migrant system in operation in South Africa, the impact of recessionary downturns in the economy elsewhere (such as in the mining industry, Gauteng and Cape Town) have had an impact on the Elundini area. There is still a heavy reliance on income from migrant sources. The towns in Elundini are Maclear, Mount Fletcher, and Ugie. The main economic sectors are social services/government (41%), agriculture (28%), and wholesale and retail trade (14%).

ELM is the scenic and attractive area in the Eastern Cape with its potential lying in fertile soil and heavy rainfalls. The analysis of Elundini Local Municipality must be contextualized globally. The municipality covers an area of 5,064 km² and has 17 Wards and according to the recent Community Survey (CS) of 2016 released by Stats SA, the Elundini Local Municipality is the most populous municipality in the Joe Gqabi district with an estimated population of 144 929 an increase of 6 788 people, amounting to 4, 7%, from the Census 2011 figures of 138 141 people. The largest population of Elundini is made up of females which constitute 60, 9% (88 247) of the total population and males constitute 39, 1% (56 682) of the total population.

The ELM is one of the most scenic and attractive area of the Province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents, due to its relative abundance of natural resources.

MAP SHOWING LOCALITY AND SETTLEMENT DISTRIBUTION

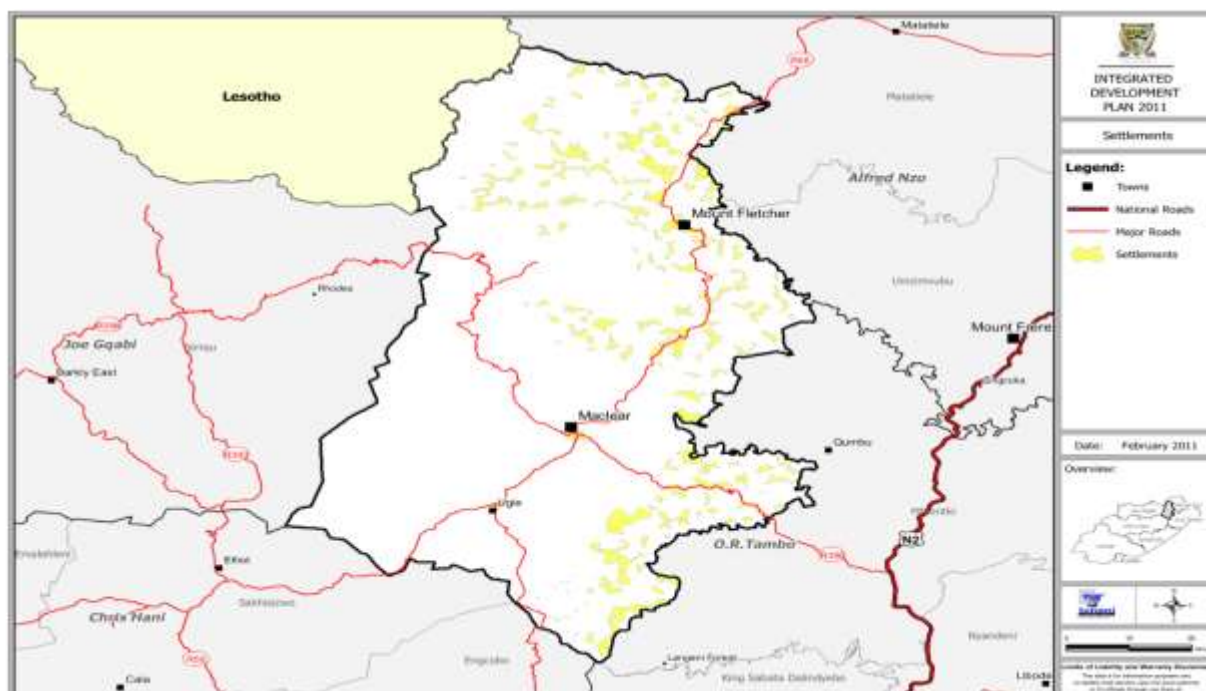


Figure 1: Map showing settlement distribution

2.2. Elundini Local Municipality Demographic Profile

According to the Community Survey 2016 figures, the JGDM total population has increased by 23 144 people from the Census 2011 figures of 349 768 to 372 912 of the CS 2016 figures. This represents a 6, 2% increase between 2011 and 2016 from an increase of 2.3% between 2001 and 2011 figures. From the JGDM total population increase, the ELM has seen a significant increase of 6 790 people representing an increase of 4, 7% between 2011 and 2016 as compared to an increase of 0, 5% between 2001 and 2011.

Although there has been an increase in the number of people, between 2011 and 2016, in both the JGDM and the ELM, there is a noticeable decrease in the number of households both in the district and the municipality. Both the municipalities have experienced a decrease of 0, 2% and 0, 5% of households respectively as depicted by the table overleaf. Of the total number of households in both the JGDM and Elundini municipalities, there has been an increase in the formal structures were the formal structures in JGDM increased from 60, 3% to 69, 6% and on ELM increased from 33% to 47, 8%. The table below depicts the changes in the total numbers of households between JGDM and ELM from 2011 to 2016:

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Table 9: Population Changes

Municipality	2001	2011	2016	% growth			Number of households			% Change
				1996 - 2001	2001 - 2011	2011 - 2016	2001	2011	2016	
JGDM	341 750	349 768	372 912	8.2%	2.3%	6.2%	84 835	95 294	95 107	-0.2%
Elundini	137 394	138 141	144 929	3.7%	0.5%	4.7%	33 209	35 992	35 804	-0.5%

Source: Census 2001, Census 2011 and CS 2016

2.3. Distribution of Total Population by age and Gender

The table below depicts the distribution of population by age and gender:

Table 10: Table showing age and gender distribution

Age category	1996			2001			2011			2016		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
00 – 04	8 907	8 900	17 807	7 577	7 364	14 941	8 188	7 949	16 137	8 761	8 489	17 250
05 – 09	11 047	10 798	21 845	10 130	9 926	20 057	8 164	7 829	15 993	9 052	9 304	18 356
10 – 14	11 229	11 168	22 398	11 391	11 337	22 727	8 860	7 866	16 726	9 976	8 702	18 678
15 – 19	8 251	8 901	17 152	9 763	9 274	19 037	9 013	8 166	17 180	10 528	9 617	20 145
20 – 24	4 331	5 431	9 763	4 688	4 975	9 663	6 441	5 746	12 187	7 762	7 035	14 797
25 – 29	2 352	3 676	6 028	2 721	3 791	6 512	4 397	4 302	8 699	6 523	5 965	12 488
30 – 34	1 938	3 739	5 677	2 213	3 364	5 577	3 189	3 453	6 641	4 982	5 300	10 282
35 – 39	1 933	3 458	5 391	2 060	3 543	5 603	2 743	3 512	6 256	2 306	2 557	4 863
40 – 44	1 665	2 839	4 504	2 129	3 606	5 736	2 210	3 387	5 597	1 959	2 549	4 508
45 – 49	1 435	2 468	3 904	1 955	3 022	4 977	2 074	3 508	5 582	1 604	2 214	3 818
50 – 54	1 278	2 141	3 419	1 730	2 594	4 324	2 120	3 587	5 707	1 502	2 492	3 994
55 – 59	1 325	2 035	3 361	1 486	2 167	3 653	2 095	3 189	5 285	1 388	2 532	3 920
60 – 64	1 334	2 873	4 206	1 475	2 560	4 034	1 938	2 804	4 742	1 429	2 273	3 702
65-69	1 227	2 222	3 449	1 559	2 579	4 137	1 382	2 032	3 414	943	2 105	3 048
70 – 74	814	1 231	2 046	1 019	1 905	2 924	1 156	1 911	3 067	603	1 570	2 173
75 – 79	730	1 191	1 921	565	963	1 528	765	1 666	2 431	360	921	1 281
80 – 84	241	505	747	439	930	1 369	453	1 044	1 497	163	713	876
85+	184	333	517	191	403	594	294	706	1 000	108	644	752
Total	60 222	73 911	134 133	63 091	74 303	137 393	65 482	72 657	138 141	69 949	74 982	144 931

Source: Census 1996, Census 2001, Census 2011 and CS 2016

Although there has been an overall increase of 4, 7% in the total population in Elundini, there has been a decrease of 3, 2% of the female population and an increase of 6, 8% of the male population between 2011 and 2016. The female population in Elundini makes 51.7% of the total population and males constitute 48, 3% of the total population. In terms of the demographic distribution of the Elundini population, a younger population,

between the ages of 15 and 19, comprises the largest population followed by 10 and 14, 05 and 09 and 00 and 04 respectively.

The pyramid below provides a clear depiction of age and sex distribution of the ELM population. In terms of the stages of demographic transition model, the ELM pyramid appears to be at the third stage, which shows stationary growth and mortality particularly in the 25 to 75+ years cohorts. It is clear how many people of each age range and sex are found within the municipality. Moreover, the pyramid shows that the population is generally older on average.

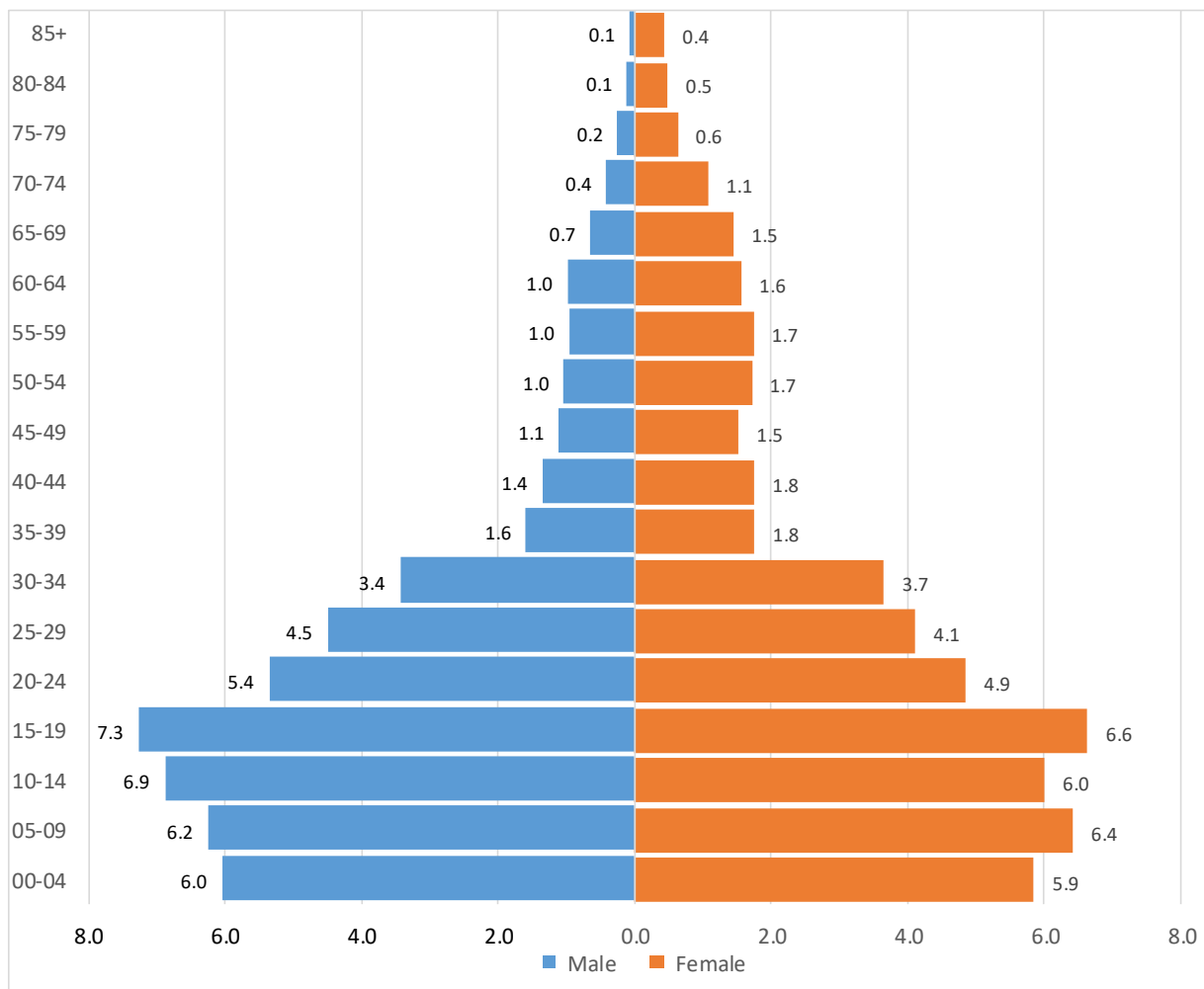


Figure 2: Population Pyramid

Source: CS 2016

2.4. Population by Race

According to Community Survey 2016, a large part of Elundini's population is made up of Black Africans (135 593) this figure translates to 98.01% of the entire population. The remaining 1.09% (2 580) is made up of 1 323 Coloureds (1%); 172 Asians (0.01%) 903 Whites comprising (0.07%) in the other category there are 183

inhabitants contributing (0. 01%) of the entire population. (2011 Statistics SA). The table below is the presentation of the racial distribution in Elundini:

Table 11: Table showing racial distribution

CATEGORY	NUMBER OF POPULATION	% DISTRIBUTION
Black Africans	135 559	98, 01%
Coloured	1 323	1%
Indian	171	0, 01%
White	905	0, 07%
Others	183	0, 01%

2.5. Distribution of Population by Language

As per the Community Survey 2016, the most spoke languages by households in the district including Elundini are isiXhosa, seSotho, Afrikaans and English as depicted by the table below:

Table 12: Table showing language distribution

LANGUAGES	NUMBER OF PEOPLE		
	JGDM	ELUNDINI	%
IsiXhosa	275 521	104 581	
SeSotho	66 419	34 152	
Afrikaans	18 889	1 905	
English	2 514	673	
Others	9 571	3 620	

2.6. Distribution of household by income

Community Survey 2016 has not released any updated information on household income and therefore the Census 2011 were used which showed that 28, 4% of the families earn between R 9 600 – R 38 200 per annum which is R 800 - R 3 183 per month whilst 19, 1% of the households earning R38 200 - R76 400 which is R 3183-6367. 38% of the households fall in the category which earns less than 800 per month or no income at all. The table below depicts the income levels of households within Elundini Municipality:

Table 13: Table showing income levels

Income level	No. of Households	%
No income	6 391	16, 8%
1 - 4800	3 113	8, 2%
4800 - 9600	4 868	12, 8%
9 600 - 38 200	10 770	28, 4%

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38 200 - 76 400	7 217	19, 1%
76400 - 153 800	2 501	6, 6%
153 800 - 307600	889	2, 3%
307 600 - 641 400	324	0, 8%
641 400 - 1 228 800	53	0, 1%
1 228 800 - 2 457 600	45	0, 1%
2 457 600 or more	23	0, 06%

2.7. Literacy Levels

Community Survey 2016 indicates that there has been an increase of 4.7% in the levels of education in Elundini for those between 20 years and above from 2011 to 2016 from 11.9% to 16.6% of the entire population having completed Grade 12 but there has been a slight decrease of 0.4% between 2011 and 2016 from 4.9% in 2011 to 4.5% in 2016 of the population who has studied further than Grade 12. Community Survey 2016 also revealed that 10.7% has no schooling at all, 20.7% has some primary education, 7.4% has completed some primary education and 44% has completed some secondary education. The table below depicts the percentage levels of education between the period 2011 to 2016 as provided by Census 2011 and Community Survey 2016:

Table 14: Table showing attendance of school

	No schooling		Some primary		Completed primary		Some secondary		Matric		Higher	
	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016
JGDM	14,7%	8%	24,4%	18%	7,2%	6,8%	33,2%	41,4%	14,3%	19,3%	5,85	5,3%
ELM	14,6%	10,7%	26,3%	20,7%	7,6%	7,4%	32,8%	44%	11,9%	16,5%	4,9%	4,5%

The table overleaf depicts the highest level of education as per the Community Survey 2016 of Elundini population as against that of the district:

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Table 15: Levels of Education against the District

	Joe Gqabi	Elundini	% Schooling
No schooling	55 899	19 142	13.21%
Grade 0	18 914	7 496	5.17%
Grade 1/Sub A/Class 1	13 943	5 740	3.96%
Grade 2/Sub B/Class 2	11 282	4 243	2.93%
Grade 3/Standard 1/ABET 1	19 375	7 736	5.34%
Grade 4/Standard 2	20 907	9 202	6.35%
Grade 5/Standard 3/ABET 2	19 749	8 309	5.73%
Grade 6/Standard 4	21 373	9 276	6.40%
Grade 7/Standard 5/ABET 3	19 823	8 119	5.60%
Grade 8/Standard 6/Form 1	27 160	11 819	8.16%
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	29 018	12 629	8.71%
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	31 218	12 557	8.66%
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	30 892	11 305	7.80%
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	38 641	12 331	8.51%
NTC I/N1	384	41	0.03%
NTCII/N2	231	72	0.05%
NTCIII/N3	308	78	0.05%
N4/NTC 4/Occupational certificate NQF Level 5	710	173	0.12%
N5/NTC 5/Occupational certificate NQF Level 5	362	165	0.11%
N6/NTC 6/Occupational certificate NQF Level 5	539	113	0.08%
Certificate with less than Grade 12/Std 10	83	22	0.02%
Diploma with less than Grade 12/Std 10	304	172	0.12%
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	1 647	470	0.32%
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	2 630	801	0.55%
Higher Diploma/Occupational certificate NQF Level 7	1 176	308	0.21%
Post-Higher Diploma (Masters)	971	398	0.27%
Bachelor's degree/Occupational certificate NQF Level 7	1 632	552	0.38%
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	929	376	0.26%
Masters/Professional Masters at NQF Level 9 degree	266	133	0.09%
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	144	22	0.02%
Other	715	435	0.30%
Do not know	1 087	513	0.35%
Unspecified	599	181	0.12%
TOTAL	372 911	144 929	38, 86%

2.8. Grant Dependency

As of April 2019 data from SASSA indicated that the total value of state support in the form of grants, e.g. care dependency (disability), child support (0 – 18 years), foster care, grant in aid, old age (below 75 years), old age (75 years & over), permanent and temporary disability and war veterans to the Elundini population amounted to the value of R 49 439 369 per month in the three (3) towns of the municipality. The table below depicts the distribution of grants in Elundini:

Table 16: Grant Dependency

MACLEAR/UGIE	Grant Type	No. of Beneficiaries	No. of Children	Expenditure
	Care Dependency	145	150	R 226 500. 00
	Child Support (Total 0-18)	9 978	18 450	R 6 642 000. 00
	Foster Care	1 105	1 580	R 1 406 200. 00
	Grant in Aid	316		R 113 760. 00
	Old Age	4 610		R 6 919 365. 00
	Old Age (75 Years & Over)	1 729		R 2 639 592. 00
	Permanent Disability	1 579		R 2 384 290. 00
	Temporary Disability	79		R 119 290. 00
MACLEAR/UGIE TOTAL		19 541	20 180	R 20 450 997. 00
MOUNT FLETCHER	Care Dependency	248	250	R 377 500. 00
	Child Support (Total 0-18)	14 480	27 155	R 9 775 800. 00
	Foster Care	863	1 163	R 1 035 070. 00
	Grant in Aid	1 788		R 643 680. 00
	Old Age	5 958		R 8 941 012. 00
	Old Age (75 Years & Over)	3 374		R 5 151 421. 00
	Permanent Disability	1 920		R 2 896 279. 00
	Temporary Disability	111		R 167 610. 00
Mt FLETCHER TOTAL		28 742	28 568	R 28 988 372. 00
GRAND TOTAL		48 283	48 748	R 49 439 369. 00

2.9. HIV and AIDS

The most recent statistics for HIV/AIDS in Elundini provided by the Department of Health in December 2017, as depicted by the table below, illustrated that 25.7% of pregnant women who visited health facilities for their Antenatal sessions for the first time had tested positive. The table below shows us that there has been increase of HIV/AIDS infections within the municipality between April 2015 and March 2016 adding to 13 416 infections recorded in 2010. Strategies that seek to support HIV/AIDS programs in Elundini need to be enhanced within the institution and externally.

Table 17: HIV/AIDS Infections

Facility	Antenatal client HIV 1st test positive rate	Antenatal client HIV 1st test	Antenatal client HIV 1st test positive
Maclear Mobile 1	100	1	1
Barkly East Mobile 2	25	4	1
St Augustine's Clinic	23.5	34	8
Mqokolweni Clinic	20	5	1
Empilisweni Clinic	19.1	188	36
Maclear Clinic	16.5	127	21
Ulundi Clinic	15.2	33	5
Katkop Clinic	15	60	9
Lower Tsitsana Clinic	15	20	3
Queen Noti Clinic	14	43	6
Hlankomo Clinic	13.9	36	5
Sonwabile Clinic	12.7	79	10
Hlangalane Clinic	11.5	26	3
Taylor Bequest Gateway Clinic (Elundini)	11.5	485	56
Ncembu Clinic	11.4	35	4
Khungisizwe Clinic	10.5	19	2
Mangoloaneng Clinic	9.8	61	6
Gqaqhala Clinic	9.5	21	2
Ngxaza Clinic	9.5	21	2
Umnga Flats Clinic	9.1	11	1
Seqhobong Clinic	7.5	40	3
Bethania Clinic	3.2	31	1
	25.7	724	186

ELM established partnerships with Home Community Based Care Centres (HCBCs) as the main strategy to fight the scourge of HIV and AIDS within ELM. Through this partnership ELM currently supports 16 HCBCs financially and the partnership is renewed annually. The following are the deliverables for HCBCs:

- Education and awareness through door to doors, mobilization of communities to big venues and reaching out to areas where people had gathered themselves.
- Provision of care and support for orphans and vulnerable children
- Make referrals to relevant institutions like clinics, hospitals and government departments
- Create support system for people infected and affected

2.10. People Living With Disability

ELM established partnerships with two Non-Governmental Organizations (NGOs) – Cheshire Home and Siyamthanda Home. These partnerships are renewed annually based on satisfactory performance of these NGOs and financial support is provided to support the running of the centers and care-givers. A service level agreement is signed with each NGO annually with terms of reference and outputs. Below is the presentation of the categories of disabilities by people in the Elundini municipal area:

Table 18: Categories of disability

Category	% population
Seeing	16%
Hearing	10%
Communication	3,1%
Physical Disabilities	29%

Source: Census 1996, Census 2001, Census 2011 and CS 2016

The table below depicts the list of SPU programs that the municipality is implementing:

Table 19: Special Programs Projects

PROGRAM/PROJECT	PLANNED BUDGET (2019/2020)
Implementation of HIV/AIDS Strategy	1 003 686
Promotion of sport development	517 336
Women empowerment	686 069
Empowerment of PWD	601 766
Youth Development	504 840
Mayor's Social Investment	860 536

2.11. Unemployment

Stats SA has not released any new or updated employment statistics and therefore figures used in the analysis of employment for ELM are those that were released in 2011. Assessing employment remains a very complex task to undertake, due to the fact that there are a number of varying methodologies of measuring unemployment. The variations in methods often result in unemployment rates being very different for the same area depending on who has conducted the measurement and which methods were employed in order to do so. The table below depicts that 9% of Elundini's population is unemployed. Whilst this percentage may seem quite low it is also important to remember that 4% are classified as discouraged work seekers and are therefore

technically also not gainfully employed. There is also 47 040 (34%) of the population which is not economically active. Many of those included in the (Not economically Active) population are of working age and therefore could be working. Regardless of the categories that have been used to describe those that are not employed, what is clearly evident is the fact that only 11% of those assessed in Elundini are considered gainfully employed, which is a low employment rate.

Table 20: Employment Status

INDICATOR	NUMBER OF PEOPLE	PERCENTAGE
Employed	14207	11%
Unemployed	11 323	9%
Discouraged work seekers	5305	4%
Not economically active	47040	34%
Not applicable	60 265	44%

Source: Census 2011 and CS 2016

2.12. Local Economic Development

The LED Strategy which was adopted in 2012 and implementable until the end of 2017 and is now under review. The purpose of local economic development (LED) is to build up the economic capacity of a local area in order to improve its economic future and the quality of life for all. It is a process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The success of a community today depends upon its ability to adapt to the dynamic local, national, and international market economy.

The key policies that primarily guide the ELM's economic development are:

- ✓ National Framework for Local Economic Development;
- ✓ National Framework for Sustainable development in South Africa;
- ✓ Industrial Policy Action Plan;
- ✓ Integrated Sustainable Rural Development Strategy;
- ✓ National business Act;
- ✓ Spatial Planning and Land Use Management Act of 2013;
- ✓ Towards an Integrated Urban Development Framework;
- ✓ National Cooperative Development Act of 2011;

- ✓ National Housing Policy and Subsidy Programs;
- ✓ Elundini Local Economic Development Strategy;
- ✓ Elundini Spatial Planning Framework

The National Framework for LED in South Africa has been developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, State-owned enterprises and communities may concentrate on in order to improve local economic development.

As per the Elundini Local Economic Development Strategy, the objectives of the municipality are:

- ✓ To create an enabling environment which is conducive to attract investment in the region;
- ✓ To create new employment opportunities, thereby reducing high unemployment levels and poverty therefore improving livelihoods;
- ✓ To develop the human resource potential in the region and promote skills development;
- ✓ To strengthen linkages between urban and rural areas in the municipality;
- ✓ To provide a framework in which a culture of entrepreneurship can be created to reduce dependency on government;
- ✓ To ensure that existing LED projects are strengthened and/or consolidated;
- ✓ To identify new economic potential and how this can be unlocked;
- ✓ To diversify the economic base and strengthen existing industry;
- ✓ To maximize the use of local contractors, business and expertise in the implementation of programs and projects;
- ✓ To identify how resources can be harnessed to promote economic growth and development
- ✓ To encourage linkages between neighbouring municipalities.

The ELM's Local Economic Development program focusses on the following areas:

2.12.1. Formal and Informal Trade Development

ELM recognizes the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities. The Municipality will continue playing its central role in supporting

the employment and economic initiatives of micro-enterprises, and prioritized the informal economy in its local economic development strategies.

In the next five years the municipality will be developing guidelines to adopt a more developmental approach towards the informal economy and review the by law which related to street trading/ informal trading. The Formal & Informal Business Regulations Compliance which focuses on ensuring that businesses have the necessary permits and licenses to conduct their operations within the legal framework will remain as a focus in trade management.

The municipality is also contributing in the sector by ensuring that the three towns have the main street trading zones in place and also provides infrastructure to the traders.

2.12.2. SMME and Cooperative Development

The National Business Act defines the small business as a separate and distinct business entity including cooperatives and the non-governmental organization's managed by one or more owners. As per the act they are categorized into four such as the micro enterprises, very small enterprises, small enterprise and medium enterprises. Presently the SMME sector is not sustainable, it operates on a survival basis rather than growing the enterprises to create sustainable employment opportunities. ELM has begun a process of creating a necessary infrastructure to support SMMEs to operate on a platform that will grow their businesses to enter the formal sector of business. Furthermore the ELM will work on providing programs to equip SMMEs with critical skills to become more competitive and sustainable.

This will concentrate on:

- ✓ Programs for separate segments as per the act;
- ✓ Policy development and review;
- ✓ Nonfinancial entrepreneurial support initiatives with a particular focus on entrepreneurial training;
- ✓ Research on specific sectors and the role of SMMEs in building partnerships
- ✓ Business network development and support;
- ✓ Capacity building initiatives;
- ✓ Public private partnerships for sector development

The municipality has committed itself to sustainable and meaningful socio-economic transformation of the construction sector, it has put in place a construction procurement strategy to implement in the next five years which is aiming at growing the local construction grades. A local association has also been established which serves as a voice of the sector to the municipality. The local contractor development programs developed by the municipality is being implemented and it has been also embraced by other government institutions who

are working with the municipality to support the local contractors. The municipality will do the sector analysis report to reflect on the impact that is made by government as a whole in the growth of the sector

ELM has a dedicated Cooperative Development Centre (CDC) that plays a role in promoting cooperatives through various support initiatives so that a wider spectrum of the community is able to participate in economic opportunities made available to cooperatives. The CDC also plays a role in identifying the needs for skilling local cooperatives and individuals. Secondary cooperatives are being setup to support primary cooperatives operating within the same sector.

The intension is to develop the CDC into a self-sustainable institution which is able to support its local enterprises. The Municipality is concentrating on its governance as one of the elements of its sustainability and will ensure that it has a functional board in place, Centre Manager and Chairperson of the audit committee. The intension is to ensure accountability to the envisaged government funding that will be implemented through the CDC from different government institutions

2.12.3. Property Development

Property development aims to increase value of the Elundini Municipality land portfolio and generate long term recurring income for Elundini, by facilitating development of Council owned land by third party private sector developers, through private partnerships. Discussion are underway between ELM and the Department of Public Works to develop land owned by the state within Elundini. Development facilitation includes project packaging, project preparation, development contracting & actual development.

The municipality will:

- ✓ Brand strategic municipal and state owned land;
- ✓ Acquire title deeds for all municipal owned land that has been identified for strategic development to expedite property development transactions;
- ✓ Revenue maximisation;
- ✓ Leveraging of private sector investment

The municipality has enhanced this function with the appointment of a skilled Project Officer in property development. The intention of the municipality going forward is also to empower municipal personnel within the LED section to effectively manage and develop municipal-owned properties.

The municipality is facilitating, through its supply chain process, commercial developments in Mouth Fletcher and Maclear. It is also focusing on housing development programs through the department of housing, JoGeda whilst some are directly facilitated by the municipality

2.12.4. Industrial Development

Rural industrialization means focus on promoting the rural based industries by involving local people, resources and expertise or exploring the new business opportunity related with available resources in that particular rural area or cluster in a professional way. Primary beneficiary must be local farmer, artisan and labour in small or medium enterprise establishment in the rural areas and also support the local eco-system and economy. The basic purpose of rural industrialization is to create alternate model for overall development of rural society to avoid over dependency on farming by utilizing available opportunities to establish small and medium industries. ELM will concentrate on a three-way approach which will help in exploring the rural industrialization, and they are:

- i. Agriculture diversification by exploring the opportunities by farming a completely new range of grains, fruits or vegetables;
- ii. Establish agro-food processing initiatives; and
- iii. Non-farm product business establishment by promoting suitable rural enterprises

2.13. Types of Rural Industry available in Elundini (Competitive and the Comparative Advantages)

There are various types of rural industrial possibilities present in Elundini rural areas such as:

2.13.1. Agro Based Industries

This industry is related with the processing of agro products such as wool, fruit, oil from oil seeds and other related processing from raw agro products.

2.13.2. Forest Based Industries

There are possibilities to establish industries related to wood products, bamboo products, honey, preparing manure from plant leaves, herbal medicines production and others.

2.13.3. Mineral Based Industries

Minerals identified in the rural areas should be primarily processed in the nearby villages and therefor creating industries within the rural areas.

2.13.4. Arts and Craft Industry

Industries like handloom, handicraft and other local artisan product manufacturing have immense potential to become professionally managed as a small and medium industry. There is a considerable high demand in the market for traditional handloom and handicraft products and a tie-up in between local artisan and private SMEs

can create a scope for small or medium scale industry in the rural areas for better growth. ELM has developed a Craft and Art Centre in Mt Fletcher which started its operation in 2016 as a centre of support to the Art and Craft industry.

2.13.5. Renewable Energy Industry

Rural areas can be converted into industry hub for producing renewable energy by setting up of commercial alternative energy plant. The municipality will develop a renewable energy strategy which will guide the municipality of the enterprises that it should pursue in the sector.

2.13.6. Agriculture Development

ELM intends to use the partnership it has with Chris Hani CDC and Joe Gqabi Development Agency to attract a direct foreign investment with Argentinians and other countries. The investment aims at both extensive and intensive farming as well as livestock development. ELM and the local farmers will enter into partnership agreements that will allow large scale production which will include local processing as well. An estimated total hectares to be planted in the next five years is 30 000 for the district of Joe Gqabi and 15 000 for Elundini municipality.

The Ugie Industrial park will serve as a processing site for the commercial production. The intention of the municipality, though, is to have Industrial development site in each of the three towns. Whilst the municipality supports the strategic initiatives which aims in promotion of commercial agriculture, with the aim to increase its local production and creating better jobs in the sector (RAFI), it has also partnered with the National Department of Rural Development on the programs that will sustain the food security which will also be integrated into the bigger production (1HA/1 Household).

The municipality will through its political leadership champion rural development programs that seek to alleviate poverty by targeting rural household leaving below the poverty levels. The program will concentrate on development of Farmer Support Centres that serve economic and social needs of the community as well as extensive and intensive agricultural activities. The table below depicts number of stock ownership and the type of agricultural activity undertaken in Elundini according to Community Survey 2016:

Table 21: Stock ownership

Agriculture	2016	
	Number	Percent
Agricultural households	15 209	42.5%

ELM 2019 – 2020 FINAL IDP

CATTLE		
1 – 10	5 547	75.5%
11 – 100	1 708	23.3%
100+	89	1.2%
TOTAL	7 344	100%
SHEEP		
1 – 10	1 778	30.2%
11 – 100	3 841	65.2%
100+	271	4.6%
TOTAL	5 890	100%
GOAT		
1 – 10	2 776	55%
11 – 100	2 226	44.1%
100+	46	0.9%
Total	5 048	100%
TYPE OF AGRICULTURAL ACTIVITY		
Livestock production	11 518	84.5%
Poultry production	10 549	81.1%
Vegetable production	4 730	52.3%
Other	5 145	15.3%

2.13.7. Tourism Development

Tourism as an economic sector has a potential to grow the local economy and create sustainable jobs and entrepreneurial opportunities. The municipal LED section has created internship posts to provide students who studied Tourism to get the necessary experience required for their studies and this in turn gives the municipality the necessary resources to keep the Tourism Information Centre on weekends opened. ELM in partnership with provincial and national tourism departments will provide opportunities to community members to be trained in various tourism related courses that will empower them to be qualified as tour guides. Various other programs offered by IDC through the national department of tourism will be introduced to the owners of the hospitality facilities.

During the process of developing ward based plans, a number of tourist attractions sites were identified and the Tourism Unit with LED Section is engaging with ward councillors to identify even more attractions that will be used in the tourism marketing material. The LED section will resource itself through the budgeting process to enable it to empower start-up entrepreneurs and community-based organisations within the tourism industry. ELM also provides financial and non-financial support to community initiatives that are tourism related and have a potential to empower local communities.

ELM plans to actively participate in the tourism routes like R56 Route, Madiba Corridor, Maluti Route and any other initiatives in partnership with neighbouring municipalities and the district municipality that have been established.

ELM is also looking at exploring other funding opportunities that made available by various government departments and agencies in order to address the following challenges:

- ✓ Limited funding from municipal resources for tourism;
- ✓ Tourism education, training and awareness;
- ✓ Protection of the environment;
- ✓ Tourism infrastructure, particularly in rural areas;
- ✓ Marketing material

The Municipality has renovated its Tourism information Centre and resourced it to be able to respond to the tourists coming into the area from national international. The National Department of Tourism

2.14. Indicators of Economic Performance

2.14.1. Level of Economic Growth

- ✓ The average annual GGP growth for Elundini Municipality over the period 1995 - 2011 is 7.9%;
- ✓ This outpaces the growth of the Joe Gqabi District, which has an average growth rate of 5.1% and far;
- ✓ Outpaces the growth of the Eastern Cape, over the same period, which only shows growth of 2.8%;
- ✓ Elundini economic outlook has improved, but requires that we actively pursue a different trajectory if we are to address the challenges ahead

2.14.2. Sector Contribution to GGP

The table below depicts the contribution of different sector into the GDP in our area:

Table 22: sector distribution to DGP

SECTOR	2004	2007	2011
Agriculture	8%	6%	4%
Manufacturing	6%	10%	12%
Construction	2%	3%	4%
Trade	12	13%	15%
Transport and communication	9%	9%	7%
Finance and business services	19%	27%	30%
Government	40%	33%	30%

2.14.3. Sector Contribution to Employment: (Census 2011)

Table 23: Contribution to employment

SECTOR	2004	2007	2011
Agriculture	42%	33%	26%
Manufacturing	2%	4%	6%
Construction	8%	8%	9%
Trade	19%	18%	17%
Transport and communication	2%	2%	4%
Finance and business services	4%	7%	10%
Government	26%	27%	28%

As per the statistic above agriculture contribution to employment as well as contribution to the GGP has decreased whilst the manufacturing has increased. There is a need to diversify the composition of products by value adding products. The broadening of economic space through larger consumer markets can give Elundini Municipality the opportunity to develop its economy and increase its competitiveness. Elundini should focus or target high growth markets with the objective of creating investment and export opportunities in the manufacturing sector especially in forestry and agriculture value adding initiatives which are the back bone sectors of this economy. Exporting however should be pursued at the expense of producing for the local market must be ignored as the combination of both could stabilize the income.

2.14.4. Gross Value Added (GVA)

The table below demonstrates how the secondary sector which deals with economic activities such as manufacturing continues to be the largest earner in terms of Gross Value Added.

Table 24: GVA

Gross value added at basic prices, Rm (current prices and constant 2005 prices)				
Industries	Prices	2008	2009	2010
Primary sector	R millions, constant 2005 prices	119	120	112
Secondary sector	R millions, constant 2005 prices	1,540	1,760	1,954
Tertiary sector	R millions, constant 2005 prices	119	120	112

2.14.5. Small Town Regeneration Program

The Eastern Cape Office of the Premier allocated R106m over the MTEF beginning 2017/18 ending 2021 for small town revitalisation which covers upgrading of roads, electricity upgrades, sewer reticulation and other bulk services for revitalisation of Mt Fletcher. A contractor has been appointed to oversee these upgrades over the next three years. A project steering committee has been established and is led by the municipal manager

and it is responsible for overseeing the success of the project and ensuring that necessary resources to maintain the infrastructure moving forward are provided.

In support of this initiative the ELM entered into an agreement with the National Department of Public Works and agreed upon a property exchange initiative that will best suit the needs of the community. A property developer has been appointed to build shopping mall that will serve the needs of Mt Fletcher and surrounding areas. Corrective measures have been put to finalise the Mt Fletcher Taxi Rank as part of small town revitalisation. It is however that the municipality has no control over the finalisation of the building of government offices in Mt Fletcher that are also part of the small town revitalisation program. Below is the breakdown of cost for the development of Mt Fletcher:

Table 25: Projects Planned for Mt Fletcher

List of projects		Estimations based on engineer's report			
		Estimated cost	Year 1	Year 2	Year 3
1.	Mt Fletcher Government office block development and electricity supply	R 3 million	R 3m		
2.	Mt Fletcher low cost and middle income housing development and electricity reticulation	R 2,510,000. 00		R 2,510,000. 00	
3.	Mt Fletcher Main Street electrical supply upgrade	R 2,073,000. 00	R 2,073m		
4.	Mt Fletcher substation and electrical network supply	R 8,250,000. 00		R 8,250m	
5.	Mt Fletcher Hillgate surfaced road	R 4 million	R 4m		
6.	Mt Fletcher housing bulk sewer supply	R 18 million	R 4,056m	R 7m	R 7m
7.	Mt Fletcher housing bulk water supply	R 19 million	R 5m	R 7m	R 7m
8.	Mt Fletcher residential access streets unpaved	R 24,5 million	R 11, 167m	R 14,167m	R 166 000
9.	Mt Fletcher sewer treatment plant	R 5,3 million	R 5, 3m		
10.	Mt Fletcher Thembeni surfaced ring road	R 10 million			R 10m
11.	Mt Fletcher town alternative surface route	R 8 million			R 8 m
	TOTAL	R 106 636 000. 00			

2.14.6. Partnership with P.G. Bison

The municipality has partnered with the private sector, i.e. P.G Bison, in improving various issues in Elundini around Local Economic Development and Social Development. The following are among the examples:

2.14.6.1. *Business Adopt a Municipality Project*

In the area of Business Adopt a Municipality, P.G. Bison has partnered with the municipality around the following areas:

- ✓ Disaster Management
- ✓ Small town revitalization – Maclear & Ugie
- ✓ Furniture factory
- ✓ Skills Transfer

2.14.6.2. *Community Afforestation Project*

- ✓ A formal strategic partnership agreement has been developed where skills transfer over a ten year period is guaranteed through the partnership arrangement with PG Bison.
- ✓ PG Bison is currently offering management, administration and technical support as it is anticipated that timber in close proximity of the PG Bison board plant will be sold to PG Bison at the time of harvesting.
- ✓ PG Bison has employed a Social Forester, whose responsibility is solely to provide all the support to the community Afforestation Projects.
- ✓ The Social Forester has been allocated a vehicle that she uses to travel to these communities on a daily basis.
- ✓ PG Bison offers a forestry learnerships, through funds made available by the Forestry Seta.

2.14.6.3. *Imfundo Schools Learning Program*

The Imfundo Schools Learning Program is an educational program aimed at assisting High School teachers in Ugie and Maclear by equipping them with better teaching skills in Mathematics, Science, Accounting and English.

2.14.6.4. *Joe Gqabi and PG Bison Community Vegetable Garden*

The community vegetable garden started in March 2014, and is under the ownership of 15 people from the community. The project is an initiative by Joe Gqabi District Municipality as well as PG Bison, with the hope to include Elundini Local Municipality as a partner since the project is in the municipality's jurisdiction.

2.15. Basic Service and Infrastructure Development

ELM has a functional PMU located within the Infrastructure Planning and Development Department that is capable in delivering infrastructure programs within Roads, Sporting Facilities, Community Halls and Early Childhood Development Centres. The PMU's Organogram and has since been revised to include the position of

the OHS Officer who ensures compliance with construction regulations. The Unit also boast the skills of the two (2) ISD Officers who play a social facilitation role and community mobilization in the implementation of all infrastructure projects and both positions have been filled. Among other responsibilities the ISD Officers play, are:

- ✓ Establishment of Project Steering Committee;
- ✓ Facilitation of employment on projects
- ✓ Ensure that project implementation runs smooth

2.15.1. LGSETA Candidacy Mentorship Programme

The LGSETA, working with SAICE-PDP, has decided to extend the engineering candidacy phase programme in Local Government which allows for mentors to be deployed to support the development of engineering graduates. The SDP has been awarded funding from the Local Government Education and Training Authority (LGSETA) for the current year to support the municipality to oversee the development of Candidates towards professional registration with the Engineering Council of South Africa (ECSA)

Accepted people eligible for registration:

Sisekho Sako : Technologist

Enock Matolo : Technician

Homba Mnambathi : Technician

Sindisa Mahlomakulu : Technician

Toka Matubatuba : Technician

Ziyanda Fidana : Technician

SAICE has allocated Mr Andrew Brodie a registered Professional Engineer to mentor the candidate in the aspects of design, engineering problem solving and eventual registration in the above professional categories. As part of the programme, candidates have taken on the following projects to design and carry to project implementation:

Castle Rocks Access Road and Bridge Ward 8

Seqhobong Access and Causeway Ward 13

Feasibility Study Thutsing Ward 14

Caltex and Powersave Network Upgrade Ward 3

Streetlighting R56 Various Wards

Rehabilitation of roads network in Various Wards

The successful implementation of the programme will go to great lengths towards ensuring the eventual establishment of a design unit within the municipality.

2.16. Implementation of EPWP

ELM participates in the Expanded Public Works Program (EPWP) contributing mainly on the Social Sector, Infrastructure Sector and Environmental Sector. ELM has employed an EPWP Champion Coordinator, located within the Community Services Department to ensure that EPWP programs are run and managed effectively. ELM received two (2) Kamoso awards for two consecutive years and recognition of their contribution on EPWP. In 2016 ELM received an award in the Social Sector Category in the Kamoso Award for the employment of CPLWs and in 2017 received an award in Infrastructure Sector Category for Roads and Maintenance.

2.17. Water and Sanitation

Water and Sanitation services are not competency of the local municipality. According to the Community Survey 2016, the table below depicts the main source of water for drinking in Elundini:

Table 26: Main sources of drinking water

	Joe Gqabi	Elundini	ELM's % access
Piped (tap) water inside the dwelling/house	66 355	13 295	9, 16%
Piped (tap) water inside yard	98 667	13 895	9, 58%
Piped water on community stand	70 294	45 826	31, 6%
Borehole in the yard	4 369	335	0, 23%
Rain-water tank in yard	15 399	3 986	2, 75%
Neighbours tap	10 330	259	0, 18%
Public/communal tap	27 200	13 913	9, 60%
Water-carrier/tanker	2 647	1 176	0, 81%
Borehole outside the yard	5 821	2 225	1, 54%
Flowing water/stream/river	47 567	33 668	23, 23%
Well	11 569	4 542	3, 1%
Spring	12 137	11 630	8, 03%
Other	556	179	0, 12%
	372 911	144 929	

In terms of access to water, 46.09% of households in the Elundini area do not have access to piped water at all. This percentage is quite high and speaks to major challenges in the delivery of this service to households. Only 7% of households have access to water inside the yard whilst 34% of households use a community stand as the main access to water. With regards to the sources of water, 29.06% of households in Elundini use municipal water as a main source of water whilst 15.60% of households use boreholes. 18.07% or 7071 households still use rivers or stream as a main source of water and another 6.49% of households use dams as the main source.

It is clear from the statistics presented above that there are significant challenges in terms of ensuring that access to water for all households in Elundini is realized, some of the challenges include the following:

- ✓ Many areas in Elundini Local Municipality do not have access to piped water;
- ✓ Most urban areas in Elundini have access to water, but shortages are occasionally experienced in Ugie and Maclear;
- ✓ In Mount Fletcher a borehole is being utilized which also results in occasional water shortages;
- ✓ Along with the issue of poor access to potable water is the need to improve water resource management;
- ✓ In the IDP ward analysis of needs identified that 50% of wards indicated that access to water or water supply was a service delivery issue.

The growth of towns such as Ugie is placing increased strain on the existing water infrastructure. Future growth will need to be supported by additional bulk water infrastructure. The insufficient bulk water and purification infrastructure is a significant constraint to future growth as any new residential, office or industrial development in Maclear, Ugie or Mount Fletcher will require additional infrastructure investment. The situation within Mount Fletcher is critical due to the current borehole system being unable to supply for the demand. Since the municipality is busy with the rollout of the Ward based Planning program in all its wards, more accurate figures of people with access to water will be available. The District has embarked on a process of formulating a District Water Forum which is responsible for the monitoring of the implementation of the Water Services Master Plan.

2.18. Roads and Storm Water

The Elundini Road Network is made up of the following roads of which the ELM is responsible for 750.4 km of municipal unpaved roads and 29.8 km of municipal paved roads as depicted by the table below. As can be seen from the table below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

Table 27: Types of Roads

Road Type	Category	Length (km)
Tar	Surfaced	29,74

Gravel	Un-Surfaced	525.04
In Situ/ Earth		39.87
Tracks		185.48
Total		780.13

Table 28: Gravel Road Infrastructure

Condition of Gravel Roads

Maintenance	117.714	Km
Poor	129.673	Km
Very Poor	140.347	Km
Total	387.734	Km
Not Assessed	137.302	Km
TOTAL	525.036	Km

As can be seen from the chart below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

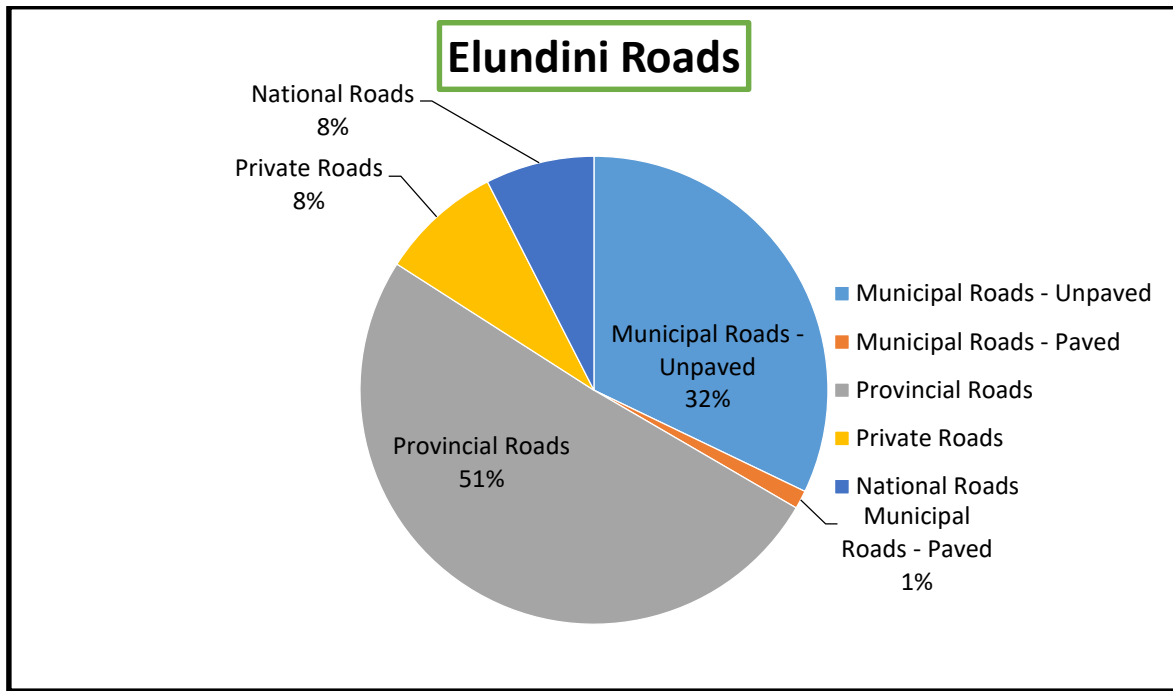


Figure 3: Elundini Roads

The Department of Roads and Public Works is currently implementing a Roads Asset Management System (EASyRAMS). The program is managed through District Municipalities. The implementation of the SLA between the municipality and the DRPW has also seen the functioning of the Roads Forum with its meetings sitting quarterly chaired by the Political Head for IPD and the secretariate from the DRPW. The Roads Section now uses the EASyRAMS system for the process of establishing a Gravel Road Maintenance Plan.

2.18.1. National Roads

These roads are used by heavy freight vehicles and the timber haulage vehicles which have a significant impact in the deterioration of the road pavement design. In the past there were inadequate funds to accommodate road rehabilitation of National Roads but National Roads are now maintained by SANRAL and there has been significant maintenance to the R56 which traverses from the South to North through Elundini Municipality, connecting Ugie, Maclear and Mount Fletcher. It is assumed that future maintenance will be implemented by SANRAL to the R396 which connects Maclear to Tsolo.

2.18.2. Provincial Roads

Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads, the MR00723 which connects Maclear to Rhodes), DR (District) roads and MM (Minor) roads. Most of provincial gravel roads have deteriorated significantly, due to recent rains, to the level where they would desperately need gravelling rather than occasional patchwork. This has resulted in most of the top surface of roads being eroded to the

road bed. Poor drainage leads to roads being impassable in wet weather. No funding is being provided for the maintenance of Minor Roads of which some are in an extremely poor condition. Many of these roads lead to farms and lodges which limits transportation of produce to the market and the travel of tourists into the area.

The DoT is responsible for the maintenance of Provincial Roads and is doing this through the appointment of a service provider. ELM entered into a service level agreement with the Department of Roads and Public Works for the maintenance of roads in the northern area of Elundini, whereby both municipal and district roads are maintained. Implementation of the SLA has not been smooth-sailing due to financial constraints. This has a detrimental effect on our roads with constant high level of rainfall. All roads in this area have been assessed and are maintained according to a maintenance schedule. In the 2019/20 financial year, an allocation of R68 Million has been allocated for the repair of flood damaged roads. The following assessment of road structures was undertaken by DOT for structures within Elundini:

Elundini LMA (Northern Section)

LIST OF STRUCTURES FOR NEW CONSTRUCTION			
Road Number	Problem	Location	Priority
DR08075	Approaches to the structure have been eroded and the river has widened, the structure requires protection to sustain it	3km	1
DR08647	Stormwater pipes were eroded, when it's raining, cars cannot cross over	15km	1
DR08648	Low level crossing with 900mm stormwater pipes eroded	8km	1
Rehabilitation/Maintenance			
DR08648	Bridge deck sagging	8,5km	2
DR08075	There is rock bed on the very steep road, concrete slab needs to be casted	15km	2
DR08074	Gabion structures/bridge abutments need to be rehabilitated (they are eroded)	14km	2
DR08074	Bridge deck needs to be rehabilitated its sagging	17km	2
DR08074	Missing Bridge parapet handrails	17km	2

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ELUNDINI LMA (Southern section)

LIST OF STRUCTURES FOR NEW CONSTRUCTION			
Road Number	Problem	Location	Priority
DR 08208	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	2,4 km	1
DR 08208	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	14,0 km	1
DR 02867	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	10,1 km	1
DR 08206	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	0,6 km	1
DR 08206	The structure is damaged, and pipes used were too small in the big river, during the rainy season, water is going over the structure, and sand blocked the pipes inlets.	3,9 km	1
DR 08474	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	4 km	1
DR 08018	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	1,3 km	1
13	Concrete drain cars can't cross the river when is full		1
DR 08018	Structure is damaged beyond repair, and pipes sizes are inadequate.	15,4 km	1
DR 08018	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	19,7 km	1
DR 02884	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	0,9 km	1
DR 02884	Structure is damaged beyond repair, and pipes sizes are inadequate.	5,1 km	1
DR 02884	Structure is damaged beyond repair, and pipes sizes are inadequate.	5,6 km	1
DR 02884	Structure is damaged beyond repair, and pipes sizes are inadequate.	6,1 km	1
DR 08083	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	0,8 km	1

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DR 08083	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	7,9 km	1
DR 08083	No pipes only concrete slab. Crossing is floods when raining. Vehicles and pedestrian can't cross. School children use this for access	13,9 km	1
DR 02901	Structure is damaged beyond repair, and pipes sizes are inadequate.	5,8 km	1
Rehabilitation/Maintenance			
DR 08209	Approaches to structure have been eroded and will be completely destroyed if not protected	11,2 km	2
DR 08208	Approaches to structure have been eroded and will be completely destroyed if not protected	4,8 km	2
DR 08208	Approaches to structure have been eroded and will be completely destroyed if not protected	8,9 km	2
DR 08018	Approaches to structure have been eroded and will be completely destroyed if not protected	9,0 km	2
DR 08018	Approaches to structure have been eroded and will be completely destroyed if not protected and cover slab damaged.	17,4 km	2
DR 08083	Approaches to structure have been eroded and will be completely destroyed if not protected	11,6 km	2
DR 08083	Approaches to structure have been eroded and will be completely destroyed if not protected	13,1 km	2
DR 08199	Approaches to structure have been eroded and will be completely destroyed if not protected	0,7 km	2
DR 08199	Approaches to structure have been eroded and will be completely destroyed if not protected	11,9 km	2
DR 08198	Approaches to structure have been eroded and will be completely destroyed if not protected	6,7 km	2
DR 02901	Approaches to structure have been eroded and will be completely destroyed if not protected and cover slab damaged.	8,4 km	2
DR 08207	Approaches to structure have been eroded and will be completely destroyed if not protected and cover slab damaged.	6,3 km	2

Priority 1 = Urgent

Priority 2 = Deadline before rain season

2.18.3. Municipal Paved Roads

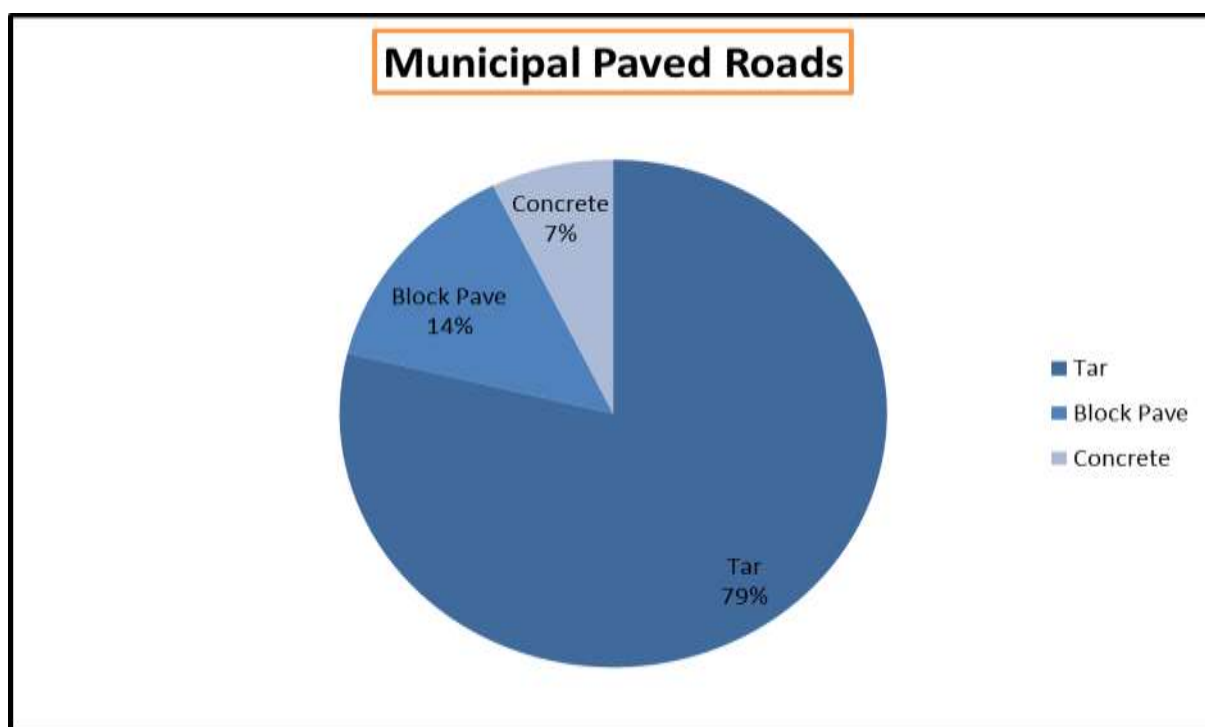
The table below depicts the number of Elundini's paved roads:

Table 29: Number of paved roads

TYPE OF ROAD	NUMBER OF KILOMETRES
Tar	23,441 km
Block pave	4,145 km
Concrete	2,153 km
TOTAL	29, 739 km

Many of the black top (tar) municipal paved roads are beyond the period of their useful life span resulting in many which need to be reconstructed. The volume of heavy duty traffic has increased considerably damaging roads that were never designed to carry such heavy loads on a regular basis. The municipality is currently in the process of resurfacing priority roads. In this regard, note should be taken that: -

- ✓ Some identified roads and streets in the town of Mt Fletcher, including the road to Hillgate will be upgraded and surfaced utilizing the grant funding provided by the Office of the Premier, under the small town revitalization program. The Elundini Local Municipality is developing the infrastructure of Mount Fletcher over the next three financial years, i.e. 2017/18 to 2019/20. A budget of R106 million over the three years was requested through the Office of the Premier in the province and this has been allocated. The infrastructure to be developed covers water and sewer reticulation, increase the supply of electricity to the town and the paving of roads;
- ✓ Some of the streets in the town of Ugie have been paved by the Provincial Department of Roads and Public Works. This project was left incomplete and in future the municipality will have to consider alternatives means for the completion of these works;
- ✓ The municipality previously approached the Development Bank of Southern Africa (DBSA) for the purpose of procuring a loan estimated at R27, 4 million excluding VAT for the purpose of upgrading the Maclear town inner roads which have been declared as "top priority". "Whilst DBSA has approved a loan of R31, 3 million to the municipality for the upgrading of certain priority streets in the town of Maclear, National Treasury has not supported the procurement of the loan citing, inter alia, that such loans should be taken only to finance revenue generating infrastructure. This, as well as a prognosis made by management on a potential deterioration of the municipality's cash flow situation, has necessitated that the loan being abandoned. The municipality has now planned for the prioritisation of the Maclear streets to be funded under the Municipal Infrastructure Grant (MIG);
- ✓ As part of the 2019/20 plan, the municipality will commence with the refurbishment and maintenance of some key streets in Maclear such as Fourie Street.

Figure 4: Municipal paved roads

2.18.4. Municipal Unpaved Roads

The table below depicts the number of Elundini's paved roads:

Table 30: Municipal unpaved roads

TYPE OF ROAD	NUMBER OF KILOMETRES
Gravel roads	525, 037 km
Earth roads	39, 873 km
Tracks	185, 484 km
TOTAL	750, 394 km

A new assessment for roads was carried out at the end of 2017 by Engineering Advice Services but the backlogs have not yet been updated on Easy RRAMS as such the figures remain the same as previous years.. The reason for this is that these roads where either being constructed or that the roads technician could not gain access to the road. It can also be noted from the above diagram how important a maintenance plan is in order to ensure that our road infrastructure does not deteriorate any further. In the development of a maintenance plan, the above roads are taken into consideration and presented for prioritization.

An urban and rural maintenance plan has been developed to ensure effective maintenance of municipal roads. This plan has been work shopped with councillors and will be implemented in the 2019/20 financial year.

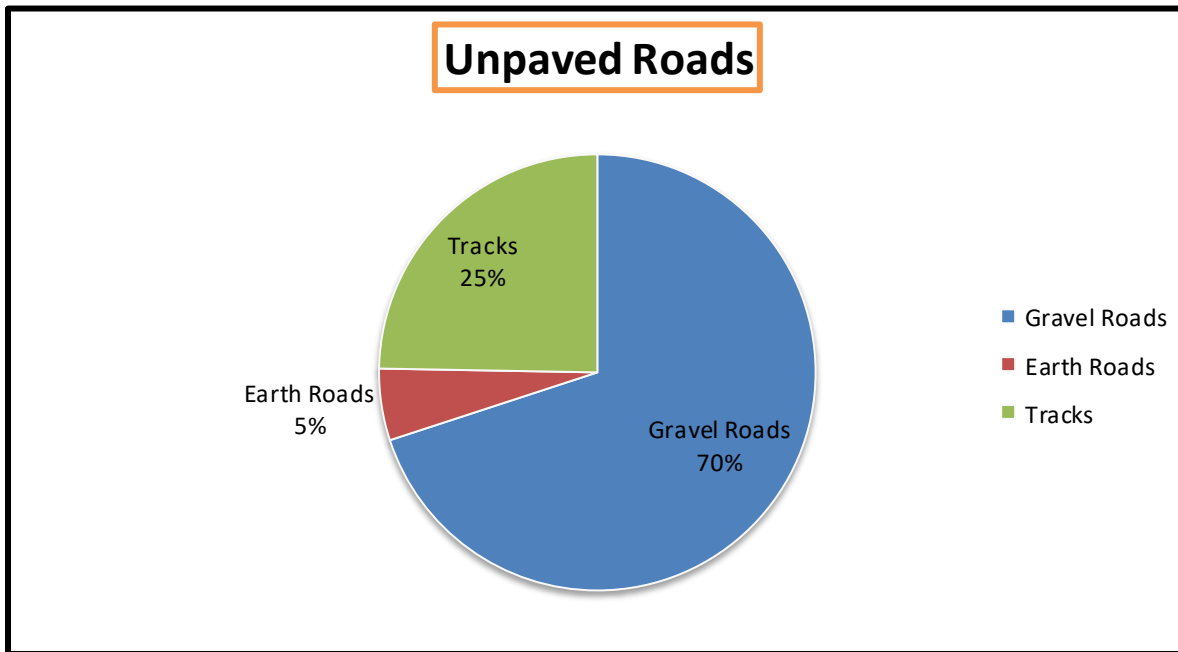


Figure 5: Municipal unpaved roads

From the chart above it can be seen that 5% of unpaved roads are earth roads and 25% of unpaved roads are tracks. No maintenance can be done on these roads and any rain would simply cause tracks to become muddy when bladed with a grader. The above chart does not take into consideration any new roads which require construction. This leaves the Roads Section with a total of 525km of gravel roads to maintain.

2.18.5. Condition of Gravel Roads Assessed

Results from the road assessment in 2017 the municipality received a second set of roads assessment. These assessment are shown as per the figure below:

Table 31: Condition of Elundini roads

Elundini Network Assessment 2015							
National	175,749						
Provincial	1269,691						
Municipal	780,136						
Private	196,655						
	2422,231						
Municipal Network Assessment 2015				Municipal Network Assessment 2017			
Unpaved	750,749			Unpaved	770,78		
Paved	29,74			Paved	30,912		
	780,489				801,692		
Unpaved 2015		Gravel Condition 2015		Unpaved 2017		Gravel Condition 2017	
Gravel	525,038	Good	25,08	Gravel	549,412	Good	0
Track	185,485	Fair	92,633	Track	189,23	Fair	57,758
Earth	39,874	Poor	129,673	Earth	32,139	Poor	138,301
	750,397	Very Poor	140,347		770,781	Very Poor	315,204
		Not Rated	137,302			Not Rated	38,147
			525,035				549,41
Paved 2015		Paved Condition 2015		Paved 2017		Paved Condition 2017	
Tar	23,441	Very Good	0,39	Tar	24,105	Very Good	9,725
Block	4,145	Good	9,833	Block	6,135	Good	7,062
Concrete	2,152	Fair	7,135	Concrete	0,671	Fair	4,418
	29,738	Poor	4,939		30,911	Poor	2,577
		Very Poor	0,394			Very Poor	0,323
		Not Rated	7,398			Not Rated	6,806
			30,089				30,911

Due to conditions outside the control of the municipality (rain) the status of our road network keeps changing. As a result of this, constant assessment of the road network is required to ensure that we do not allow the asset to depreciate to zero value.

The cost to re-construct a road far exceeds the cost to maintain a road and the lack of suitable gravel may result in an inferior road being constructed. Natural resources are not always available.

It must be noted that if the municipality constructs 100km over a five year period then the Maintenance Section becomes responsible for the maintenance. Often the roads constructed are new roads and not the re-construction of existing roads. In the development of a maintenance plan, the above roads will be taken into consideration and presented for prioritization.

2.19. Roads Maintenance

The road network in the south of Elundini requires that approximately 60km of access roads to be re-gravelled. With the available capacity of our plant it is envisaged that we would most likely only be available to be able to re-gravel 28km, rip and shape 32km of access roads and blade 60km of roads – Total is 120km.

This will include work to be done in Ward 1, 2, 4, 5, 6 and 17 (Popcorn Valley has been completed)

The Roads Section is able to identify roads to maintain through the road assessments that have been done but the assessments were done in 2017.

As we are now in 2019 and due to excessive damage done to roads with recent rain, we would like to meet with Councillors from the southern area to discuss their priorities but the Roads Section would still be required to use the criteria in the maintenance policy to define whether the roads requested fall under the maintenance procedure.

To follow this process the section has its disposal maps and assessments which will assist in defining roads which will require maintenance.

Although Bhekela has been identified for maintenance our challenge will be to provide suitable material for the re-gravelling of roads

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Table 32: Plan for Maintenance of Access Roads in Northern Section

ID	Road No.	Village	Ward	Length	19/20 Task
	AC63692	Phirinsu -B	14	2,3	Rip & Shape
	AC60477			8,0	
	AC60425	Dengwane	11	2,5	Rip & Shape
	AC60481	Kwebung	13	6,0	
	AC60422	Mashata	12	9,0	
	Mahaneng			9,0	
	AC60428	Ghobho	11	6,2	Dr Blading
	AC60673	Popopo	12	5,0	Rip & Shape
	AC60671			1,6	
	AC63700			0,4	
	Maqhatseng		12	5,0	
	AC63713		10	2,5	Rip & Shape
	AC60445			9,0	
	AC62701			2,6	
	AC62703			2,6	
	AC62702			2,0	
	AC60555			6,6	
	Mpopo/AC60418	Freistata/Sethathi	13	6,0	Rip & Shape
	AC63685	Tabase	13	6,3	
	AC63699	Setaka to Moleko	12	4,1	Rip& Shape
	AC60476, AC63693	Setabataba	14	3,6	Rip & Shape
	Track	Thabo Mbeki	9	1,2	Blading, gravelling
				101,5	

Table 33: Plan for Maintenance of Access Roads in Southern Section

Number	Area	Ward	ID	Length (meters)	Surface type
1140106		1	AC30455	4204,51	Gravel
1140115		1		1211,48	Gravel
1140128		1	AC30452	1698,05	Gravel
1141440		1	AC30454	648,38	Gravel
1141443		1		2675,02	Gravel
1142993		1		569,69	Gravel
1143007		1		829,95	Gravel
1143009		1		964,74	Gravel
1178932		1		6069,39	Gravel
1141922	Bhekela	2		11007,44	Gravel
1140207		5	AC30407	2942,08	Gravel
1140750		5		1126,88	Gravel
1141110		5	AC30154	190,90	Gravel
1141386		5	AC30406	2925,23	Gravel
1141387		5		354,21	Gravel
1141389		5	AC30406	3369,50	Gravel

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1141391		5	AC30405	1032,54	Gravel
1141394		5		587,08	Gravel
1141395		5	AC30406	131,89	Gravel
1141396		5	AC30406	386,01	Gravel
1141401		5		2615,76	Gravel
1141402		5	AC30154	1632,65	Gravel
1142947		5		5086,77	Gravel
1142949		5		510,40	Gravel
1142950		5		397,60	Gravel
1142951		5		934,90	Gravel
1142956		5		609,54	Gravel
1200488		5	AC30406	2412,31	Gravel
1200489		5	AC30406	1040,17	Gravel
1140777		6	AC30396	1520,01	Gravel
1141107		6	AC30393	1874,10	Gravel
1141109		6	AC30393	1619,40	Gravel
1141406		6		4720,98	Gravel
1142917		6		792,22	Gravel
1178918		6	AC30393	596,28	Gravel
1178930		6		1217,08	Gravel
1178931		6		1060,30	Gravel
1178979		6	AC30393	836,23	Gravel
	Mpinkone	5		3000,00	
	Ntabelanga	5		4350,00	
	Esidakeni	5		2500,00	
	Thomas Ntaba	5		2300,00	
	Marhombe	5		2000,00	
	Ramatee	7		7000,00	
	Ntushuntsu	5		600,00	Track
1142065	Greenfields	17		3971,60	Gravel

98123,27

98,12 km

Table 34: Maintenance Plan for SLA

Year 2019-2020 - Maintenance Program- REV002						
QAUTER	Months	Cycle No	Road No.	Length	Discription of Works	Planed Work(km)
1	july to September 2019	1	DR08084	22	Dry blading	22
			DR08416	9,9	Dry blading	9,9
			DR08648	12,51	Dry blading	12,51
TOTAL						44,41

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QAUTER	Months	CYCLE	Road No.	Length	Discription of Works	Planed Work
2	October to December 2019	2	DR08076	23,75	Reshaping	20
			DR08078	34,7	Reshaping	33
			DR08082	3,5	Reshaping	3,5
			DR08647	24,3	Reshaping	24,3
			Subtotal			80,8
Cummulative Total						125,21
-						
QAUTER	Months	CYCLE	Road No.	Length	Discription of Works	Planed Work
3	January to March -20	3	DR08074	23,3	Patch Gravelling	1,6
			DR08074	22	Reshaping	18
			DR08075	22	Reshaping	14,69
			DR08080	11	Patch gravelling	3
Subtotal						37,29
Cummulative Total						162,5
-						
QAUTER	Months	CYCLE	Road No.	Length	Discription of Works	Planed Work
4	April To June-20	4	DR08076	23,75	Reshaping	20
			DR08078	34,7	Reshaping	15
			DR08082	3,5	Reshaping	10
			DR08647	24,3	Reshaping	12,5
SubTotal						57,5
CummulativeTotal						220

2.20. Documentation which Influences the Construction and Maintenance of Roads

There are a number of documents which set guidelines to both the PMU Section and the Roads Section when constructing or maintaining roads. They are:-

a. Local Integrated Transport Plan (LITP)

Minimum contents for a Local Municipality's Integrated Transport Plan:

- ✓ The ELM Local Integrated Transport Plan (LITP) is prepared for every five years and submitted to the district municipality. The plan should be updated annually where appropriate;

- ✓ The plan has been prepared as an input to the District Integrated Transport Plan (DITP) and synchronised with the timing of the preparation of the DITP. The LITP must consist of the chapters as indicated below:

- i. Introduction
- ii. Transport Status Quo (Inventory and condition of transport infrastructure)
- iii. Transport Needs Assessment
- iv. Transport Improvement Proposals
- v. Implementation budget and program
- vi. The LITP is a working document in which changes are made and updated on an annual basis.
- vii. The LITP is a comprehensive document and it identifies a number of projects that are required to be completed internally.
- viii. The LITP incorporates the Roads Master Plan which is linked to the municipality's LED Strategy.

b. Storm Water Master Plan (SMP)

The master plan has been implemented in the rehabilitation of the Sonwabile Roads Project and will continue in other projects.

The main aims of developing the SMP are, among others are:

- i. Update the existing records of infrastructure assets
- ii. Manage storm water assets
- iii. Identify problems or problematic areas within the storm water systems
- iv. Develop a rational basis from which to implement improvements
- v. Develop storm water guidelines and standards for future work

c. Roads Asset Management Policy

The document provides an example of a road infrastructure asset management policy document that will meet the requirements of the ISO 55000 Asset Management International Standard and Act No. 19 of 2007: The Government Immovable Asset Management Act (GIAMA). The document is intended to serve as an example to Road Authorities to develop their own road infrastructure asset management policies and related systems.

The document strives to address the issues identified in ISO 55001 that need to be addressed in an Asset Management Policy namely:

- i. are appropriate to the purpose of the organization
- ii. provide a framework for setting asset management objectives

- iii. include a commitment to satisfy applicable requirements
- iv. Include a commitment to continual improvement of the asset management system.

The road infrastructure asset management policy shall:

- i. be consistent with the organizational strategic plan(s)
- ii. be consistent with other relevant organizational policies
- iii. be appropriate to the nature and scale of the organization's assets and operations
- iv. be available as documented information
- v. be communicated within the organization
- vi. be available to stakeholders, as appropriate
- vii. be implemented and be periodically reviewed and updated.

The goal of our road infrastructure asset management policy is:

"To ensure that the Elundini Access Roads provide the best possible level of sustainable service to users and optimal economic growth of the ELUNDINI MUNICIPALITY, subject to budget constraints."

d. Road Maintenance Plan

The Elundini Local Municipality has established a need for the development of a comprehensive Roads and Storm Water Maintenance Plan that provides a structure within the municipality to strategically budget for maintenance of its roads and storm water infrastructure. The purpose of the Maintenance Plan is to provide the Municipality with a broad overview of the Maintenance Strategy and how this is accommodated within the allocated budget. The following are the main items that are taken into consideration when developing the Maintenance Plan:

- i. Assessing the road network in order to quantify the required road maintenance activities,
- ii. Developing a preliminary road maintenance strategy,
- iii. Develop a priority list of work to be conducted which is acceptable to all stake holders to suite the available budget, and
- iv. Social requirements of the community.

Activities of Road Maintenance are listed below:-

(i) Paved (Tar) Roads:-

- a. Pot Hole Patching
- b. The application of a slurry to the road to seal cracks
- c. Maintenance of associated storm water

(ii) Gravel Roads (these roads have existing storm water infrastructure):

- a. Dry Blading
- b. Wet Blading
- c. Special Blading
- d. Patch Gravelling
- e. Maintenance of associated storm water
- f. Rehabilitation of the road by rip, reshape, compact and add a new gravel wearing course to the road

Any roads where there is no gravel on the road and requires the design of storm water infrastructure should be accepted as roads which require construction.

e. Funding for Road Maintenance

Road maintenance funding for rural access roads has always been a challenge but recently there have been new developments.

There has been a change in the Division of Revenue Bill of 2016 which states that:

- ✓ Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including roads maintenance

ELM therefore is required to develop the Roads Maintenance Plan in line with the Rural Roads Asset Management System (RRAMS) including the funds that will be allocated to the plan.

2.21. Status Quo in the Roads Section

ELM has a full functional Roads Construction Unit with a full set of Plant equipment to ensure quality services are rendered in our internal projects. ELM entered into a service level agreement with the Department of Transport for the maintenance of roads in Mt Fletcher. In terms of this arrangement, the municipality is contracted by DoT to undertake routine and extensive maintenance of provincial roads within demarcated areas, for a predetermined contractual amount. With the “earned profit” the Municipality is to also attend to the access roads that are adjacent and/ linked with the provincial roads in order to integrate service delivery and avoid creating service delivery islands. As part of the plan for 19/20, the DoT has also commissioned the reconstruction of the Tinana Bridge which was flooded away in Ward 11 of the municipality.

The Municipality recovers its costs for roads construction through the Municipal Infrastructure Grant (MIG) and the district roads maintenance service level agreement (SLA) entered into with the Department of Transport (DoT). The municipality uses “An Industry Guide to Infrastructure Service Delivery Levels and Unit Costs”

document, issued by Department of Cooperative Governance and Traditional Affairs (COGTA), to determine the upper limits of allowable rates to be recovered from the MIG, whilst the SLA with DRPW specifies the rates that can be charged for work completed. Below is a summary of detailed findings that focus on operational and procedural aspects of the review:

Table 35: Review Findings

	FINDING	PERFORMANCE AREA	MANAGEMENT RESPONSE PLAN
1	Insufficient reserves built up for replenishing of the fleet	Financial performance	Increase the productivity in order to provide sufficient reserves for the replenishing of the fleet
2	Plant nearing the end of its useful life	Financial performance	Accredited service provider will evaluate the plant to see if its useful life can be extended.
3	The Servicing and Maintenance of the plant has not been managed properly	Plant Productivity	Schedule of maintenance of the plant has been developed and is being implemented although the section requires additional capacity. The revision of the organogram calls for additional capacity to strengthen this function to implement some of the servicing in house to reduce expenditure with Bell Equipment who currently implements all maintenance and repairs on Bell plant
4	Lack of standard operating procedures or guidelines in the operation of the plant	Plant Productivity	A set of Standard Operating Procedures has been formulated and the policy adopted by Council. Additional capacity is required for the implementation of the policy. The additional capacity has been formulated in the new organogram
5	Deficiencies in preventative maintenance processes	Plant Productivity	This item has been addressed under item 3 above
6	Duties and responsibilities on personnel involved in running the plant	Staffing	There has been a lack of capacity in this section but the section is waiting for the outcome of the work study and new organisational structure to be adopted by Council

7	No continuous training for the key staff running the plant	Staffing	During this financial year the operators and other key personnel have been sent for training
8	Inefficient Records Management	Operations and Management	This was initially resolved through the appointment of a contract roads technician but the individual responded to an internal advert and accepted an appointment in the PMU. Internal memos have been issued to address the problem But the section requires the adoption of the new organisational structure to resolve the problem
9	Lack of monitoring of actual expenditure	Operations and Management	The post of a departmental accountant has been identified on the new organisational which requires the adoption by Council
10	Lack of project management on previous projects implemented	Operations and Management	PMU will ensure proper project management for all the projects that utilises the plant
11	Deficiencies noted on the licencing of vehicles	Operations and Management	Licensing deficiencies has been resolved
13	Lack of a letter of good standing.	Operations and Management	Letter of good standing has been obtained.

2.22. Housing Provision

The provision of houses remains the sole responsibility of the Department of Human Settlement and the Elundini Municipality only plays the facilitation role. The facilitation responsibilities of the municipality include but not limited to:

- ✓ Identification of suitable land for building of houses in line with the SDF;
- ✓ Engaging communities on the suitable type of houses to be built on their areas;
- ✓ Compiling a demand list, submit it to the municipal Council for endorsement then send project list to the DHS;
- ✓ The department then develops a project list of new houses to be built in dealing with the housing demand;
- ✓ Compiling of beneficiary lists and submitting it to the department for scanning;
- ✓ Engaging other sector departments for the provision of other services;

The Department of Human Settlement, together with the ELM, have during the financial year, 2014/2015, undertook a second round of reviewing the Elundini Housing Sector Plan (HSP). The review of the HSP has led to a substantive status quo analysis, aiming to meaningfully identify and assess the housing and infrastructure situation as it related to demand, supply and integration. Importantly so, when reviewing the HSP, much was put on the implementability of desired projects to ensure accelerated development of sustainable human settlement and therefore, for each identified project, a feasibility study was conducted. As a result, the HSP lists all implementable projects as ‘planned’, whereas the non-implementable ones are reflected as ‘desired’. Other housing projects for ELM can also be seen on Section G of this document.

The pivotal foci of the HSP review process were: **integration** – characterized by visits to the broader community, sectorial departments and stakeholders; **inclusivity** – characterized by presentation of the HSP to the municipal Council for endorsements, resulting in ultimate approval of the HSP by the MEC for Human Settlements; and **analysis** – characterized by a study of the human settlement situation, latest statistical data and other relevant documentary evidence. The HSP, with further details on human settlement is attached to this document as an annexure. Although the housing provisioning rests with the department of Human Settlement, the municipality together with the officials from the department has identified all blocked and defective housing projects and those that are ready to be implemented. The identified housing projects are located in the urban areas as well as in the prioritized areas. ELM in line with the Municipal Property Rates Act, develops a valuation roll of all the registered properties within its area of jurisdiction. The Act requires that local municipalities to generate a valuation roll every 4 years and a supplementary valuation roll every year to update relevant information on the roll. The value of the properties reflecting on the valuation roll serves as the basis for the property rates billed to property owners to generate municipal revenue as depicted in the annual budget report. Due to the alignment process with the amended property rates Act, CoGTA has requested all municipalities to extend the validity period of the valuation roll with one year in order to facilitate an improved reporting and assessment process for all municipalities to ensure compliance to the Act.

ELM was due for general valuation whose valuation date was 01 June 2017. The Municipality’s Valuation Roll was approved in June 2018 for implementation on 01 July 2018. A supplementary valuation was made available for objections and commenting from 01 May 2019 and objections closed on 31 May 2019.

ELM is in the process of revising existing town planning schemes and policies in order to align with the Spatial Planning and Land Use Management Act. The municipality’s GIS system is being upgraded in order to ensure accuracy of all available information on properties and municipal assets and infrastructure. Importantly in line with the Property Rates Act, the municipality has a Municipal By- Law and Property Rates Policy, property owners are billed rates monthly which are due and payable within 30 days of date of invoice. Of importance to

note is that in ELM there were no land claims lodged in our municipal area and this was verified by the letter received by the municipality from the Land Claims Commissioner.

2.23. Electricity

The statistics as per Community Survey 2016 for access to energy is as follows:

2.23.1. Household access to electricity

Table 36: Access to electricity

Source	JGDM	ELM
In-house conventional meter	21714	6165
In-house prepaid meter	283756	87741
Connected to other source which household pays for	2199	24
Connected to other source which household is not paying for	128	-
Generator	362	170
Solar home system	2832	2322
Battery	-	-
Other	4206	3659
No access to electricity	57715	44847

Source: Community Survey 2016

2.23.2. Household usage of candle

Table 37: Use of candle

	Yes	No	Unspecified
DC14: Joe Gqabi	197556	128730	46626
EC141: Elundini	94124	32907	17899

Source: Community Survey 2016

2.23.3. Municipal survey on electricity

Access to electricity has progressively improved since the last financial year because there have been some areas around the municipality that have been electrified. The most hit areas still without electricity are the rural villages around the Mt. Fletcher area. ELM bills its urban consumers of electricity on a monthly basis. ELM has developed the Electricity Master Plans, incorporating the Notified Maximum Demand (NMD) for electricity, for both Ugie and Maclear towns intended for both the development and expansion of electricity infrastructure and supply for both towns. ELM was given license by NERSA to supply and distribute electricity to the towns of Ugie and Maclear. The municipality is also providing alternative energy, solar system, to Wards 4, 8, 11, 12, 13, 14, 15 and 16. The electrification of rural households is largely dependent on the electrification program by ESKOM. The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

Table 38: Installation of Solar Heating System

AREAS	NUMBER OF UNITS
Bhekela (Ugie)	1 456 units
Takalane (Ugie)	664 units
Ugie Park	250 units
Maclear Phase 1	665 units
Greenfields Maclear	250 units
Mangoloaneng	365 units
Ngcele	500 units
Katkop	500 units
Isinxako (under construction)	486 units

ELM, through its Public Participation Unit, together with the Ward Councillors consolidated a list of all households in all the wards that are still not have been electrified. The electrification backlogs below reflect that there are still 24 221 households, equalling 41% of households who are still not have been electrified and 31 655 households, equalling 59% of households that have been electrified.

The table below depicts the electrification backlogs and planned electrification by ELM:

ELM 2019 – 2020 FINAL IDP

Table 36: Planned electrification program

WARD	Villages	Total H/H	Electrified	Not Electrified	% Not Electrified
1	12	2 823	2 635	780	28%
2	7	3 275	2 466	809	25%
3	12	2 381	1 823	558	23%
4	21	2 336	1 797	539	23%
5	15	2 712	2 348	364	13%
6	10	4 968	4 732	236	5%
7	24	3 378	2 150	594	18%
8	21	2 502	988	1 224	49%
9	6	2 354	1 648	706	30%
10	15	3 962	2 575	1 387	35%
11	16	3 065	1 488	1 542	50%
12	12	4 430	2 882	359	8%
13	10	2 773	749	1 474	53%
14	15	2 708	486	2 222	82%
15	10	8 071	626	7 445	92%
16	25	3 960	478	3 371	85%
17	16	2 866	1 784	611	21%
TOTAL	247	58 564	31 655	24 221	41%

As per the ESKOM electrification program, below is the plan for electrification for the financial year 2019/2020 in Elundini:

Table 39: Planned electrification by ESKOM

Project Name	Planned CAPEX	Planned Connections	Village Beneficiaries
Amahlubi 02	R 6 000 000	250	Phirintsu, Phuthing, Zindawo
Amahlubi 02 Link Line	R 2 800 000		
Amahlubi 03 (2020/21 Pre-eng)	R 202 776		
Batlokoa 03	R 2 400 000	100	Diphakoeng, Port of Ngcwaleni
Batlokoa 03 Link Line	R 1 400 000		
Batlokoa 02 SP	R 7 200 000	300	Upper Tokwana
Batlokoa 02 Link Line	R 1 120 000		
Batlokoa 02 (2020/21 Pre-eng)	R 272 412		
Elundini Extensions	R 4 800 000	200	Mpharane
Elundini Exts. Link Line	R 1 120 000		

ELUNDINI PH 4	R	9 600 000	Katkop, Magedla, Plazini Plass, Njaboya, Nkalweni, Chevy Chase 400 C1, Chevy Chase C2
Elundini Ph 4 Link Line	R	1 680 000	
ELUNDINI PH 4 Pre-ng (2020/21 Plan)	R	197 000	
Elundini Ph 3 Link lines	R	5 600 000	
Elundini Extensions Pre-eng (2020/21 Plan)	R	220 000	
Elundini Schedule 5B Pre-eng.	R	834 783	
Elundini Type 2 Infills	R	5 760 000	443
Total Plan	R	51 370 195	1693

2.23.4. Energy Efficiency and Demand Side Management

In an attempt to reduce energy consumption in municipal infrastructure, Elundini Local Municipality has secured an EEDSM grant from the Department of Energy and National Treasury through section 5(b) of the Division of Revenue Act (DORA) to measure and quantify the current energy consumption baseline and energy savings potential of the municipality. The measurement and quantification of energy consumption baseline are to be achieved through historical electricity bills, and the installation of smart meters, whilst energy savings will be achieved by the replacement of inefficient technologies with energy efficient technologies such as Light-emitting diode (LED) for buildings, public lighting and traffic signals; efficient Heating, Ventilation, and Air-Conditioning (HVAC) system; and efficient motors and variable speed drives for water services plants.

This project consists of two parts to be implemented simultaneously for the following towns: Maclear, Ugie and Mount Fletcher. The EEDSM project shall be implemented in three phases (pending allocations on the EEDSM Grant), namely:

- ✓ Replacements of High-Pressure Sodium and Induction Street lights with (Light Emitting Diode) LED lighting. The existing public lighting fittings varies from 40W to 1000W;
- ✓ Retrofitting of tubes and bulbs on the fluorescent lights and other fittings in the Municipal buildings namely (Offices, Libraries and Community Halls, etc). Most lightings in these buildings consists of various types ranging from 14WCFL to 150W mercury vapour fittings. The intention is to replace the bulbs and rewire the fittings to accommodate the new LED tubes/bulbs and fittings occupancy sensors in all offices. It is envisaged that in some cases T5 bulbs and fittings;
- ✓ Replacements of existing 46 High Mast each consisting of 6 x 1000w on 40m light fittings with a **MAXIMUM** 400W LED fittings. There are also a number of 9 x 400W fittings on 30m High Mast Lighting

that need to be replaced with a **maximum** of 200W LED fittings. (Please see tender for technical details of high mast fitting.

2.23.5. Solar Water Heater Geysers

The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

TOWNSHIP	NO OF HOUSEHOLDS	NO OF BENEFICIARIES SUBMITTED
Bhekela	1456	309
Takalane & Robben Island	664	370
Mandela Park	206	206
Ntokozweni	177	177
Old Location Ugie	300	255
Ugie Park	250	256
Maclear Phase 1	665	365
Maclear	200	52
Ugie	300	0
Greenfields	250	295
TOTAL	4468	2 284

The absence of beneficiary information may result in lack of commitment on the allocated 5000 Solar Water Heater Geysers and as such, additional qualifying areas need to be identified as part of the programme. An estimated 400 SWH installers are earmarked to be trained within the municipality

2.23.6. Enrolment of Small Scale Embedded Generation (SSEG) Transition in Our Municipality

Due to increases in the price of electricity from the national grid and a steady decline in the price of decentralised generation options such as solar PV small-scale embedded generation (i.e. 'rooftop' type systems), decentralised generation sources such as SSEGs are becoming financially more attractive in South Africa. Increasingly such systems are being installed by businesses and residences. It is therefore important that

approval procedures are established and standards are adhered to by municipal distributors to regularise this fast changing situation.

Considering these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models. The South African – German Energy Programme (SAGEN) in cooperation with the Department of Energy (DOE) and the South African Local Government Association (SALGA) is providing technical support to municipalities on aspects of this transition.

The Council for Scientific and Industrial Research (CSIR) and Sustainable Energy Africa NPC (SEA) are implementing partners on the SAGEN programme and are focusing on the safe integration of Small-Scale Embedded Generators (SSEG) into municipal infrastructure as well as the development of sustainable business models for municipal utilities. In this regard, our municipality has been granted support among other five municipalities in the Eastern Cape in this transition.

2.23.7. Support to Municipal Energy Management System

Since municipalities in South Africa differ widely in terms of their size, capacity and resources as well as their levels of awareness and implementation of energy efficiency measures. The project accommodated this by identifying three different “categories” of municipalities (Innovators – Aspirants – Beginners) and will implement different and adapted approaches of support suited to the needs of each. In this light, the South African-German Energy Programme (SAGEN) GIZ and its partners, the Department of Energy and South African Local Government Association (SALGA) is supporting selected municipalities to enable them to implement municipal energy management systems (MEMS) within the operational structures of the municipality, with the aim to reduce their own consumption of electricity. In this context, an energy management system refers to a structured process to identify energy cost centres, measure energy supply, identify opportunities for energy savings, plan energy saving interventions, implement interventions and measure and report impact. The Municipal Energy Management Systems (MEMS) programme offers intense Support for 4 – 6 municipalities in developing a MEMS. Elundini Municipality has been accepted for support in the MEMS implementation for the 2019/20 financial year.

2.24. Transportation

2.24.1. Freight transport

Being a rural municipality, freight transport is an important facility for the Elundini. The various businesses and institutions rely on freight transport services to import most of the food, products and goods needed for local consumption. The growing timber industry in the area places a significant burden on the road network and

damage to the roads is evident on most routes. National government has developed a strategy around freight transportation through rail systems. A railway line exists within the municipality but is defunct.

A truck stop in Ugie, owned by PG Bison was completed in 2008 and is operational, creating a significant impact on freight transportation in the area. PG Bison has proposed a by-pass route from MR 723 to R56 via Maclear. There are problems that are brought about by the heavy duty trucks ferrying logs in particular between Maclear and Ugie towns resulting in excessive silt on surfaced streets and blocking storm water drainage system. In the process of negotiating a bypass around Maclear with PG Bison, there is a need for PG Bison to provide wheel washing bays for their trucks. ELM is also looking at the possibility of constructing a weigh bridge so that the money generated from it can be used back in repairing and upgrading our roads as they are being damaged by the heavy loads carried by the heavy trucks.

2.24.2. Public transport

Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority. These are mostly remote rural of ELM. ELM currently has no vehicle testing station and a weigh bridge in place but there are plans in place for the construction of these two facilities. It must be noted that the municipality only provides for driving licensing for Code 8 and vehicle registration only on behalf of the Department of Transport.

There is no official taxi rank in Ugie but an informal taxi rank, on the main street is being used. This arrangement is not suitable for commuters and there are no shelters, however there are ablution facilities. There is a formal taxi rank in Maclear in Fourie Street. This taxi rank functions well as it has taxi / bus shelters and ablution facilities for commuters. The taxi rank is insufficient for all the taxis as taxis can be seen using other areas around town as informal taxi ranks. The ablution facilities in the Maclear taxi rank are not well maintained and need to be upgraded. There is a plan to close the storm water drain in the south eastern side of Fourie Street with a view to provide hawkers facilities.

The municipality has completed the construction of the Mount Fletcher Taxi Rank and is now embarking on the construction of the Mount Fletcher Vehicle Testing Station. The taxi rank facility provides for both modes of transport, taxis and busses and as well has facilities for hawkers through the construction of hawkers' stalls. The facility also has a management building for the operators of the taxis and the busses.

The following modes of public transport are prevalent in the Elundini Municipality:

- ✓ Long distance buses,
- ✓ Mini buses and taxis,
- ✓ LDV bakkies with canopies which also provide scholar transportation,
- ✓ Horseback,

Problems relating to public transportation include the following:

- ✓ Non availability of a local integrated transport plan. However the municipality is currently developing such a plan,
- ✓ Poor road conditions,
- ✓ Lack of designated public transport route,
- ✓ Lack of capacity at local authority levels to address public transport planning,
- ✓ Lack of sustainable and dedicated funding for public transport services, facilities and maintenance,
- ✓ Inadequate scholar, disabled and elderly transport,
- ✓ The illegal use of “bakkies” as public transport vehicles,
- ✓ Ageing of minibus-taxi vehicle fleets,
- ✓ Lack of public transport information,
- ✓ Public transport safety and security and,
- ✓ Lack of roadworthy testing station

2.24.3. Railway services

The weekly railway transport passenger services between Johannesburg and the Eastern Cape is only accessible at Burgersdorp to the West of the district and has very little impact on the rest of the area, especially Elundini, which is situated in the East of the district. The branch line which used to serve as a freight and passenger facility is no longer operational

2.24.4. Airfields

There are two airfields in the area, which comprise grassed surfaces without lighting for night use. The airfield at Maclear is 1790 meters in length and the airfield at Ugie is 1000 meters in length.

2.24.5. Non-motorised transportation

Mostly, pedestrians in the township walk to various destinations, few use bicycles. The municipality has also constructed sidewalks for use of bicycles.

2.25. Public Amenities

2.25.1. Sports and Recreation Facilities

The municipality has seen to the construction of TV Park Sport field which was officially handed over to the community. It is also in the process of completing Ugie Sport Field Phase 2 as well as the completion of Hopedale/Ngxele Sport Field and Mt Fletcher Sport Field.

The sportfields comprise of a combined soccer/rugby field with irrigation system, synthetic running track, tennis court, netball/basketball combi-court, palisade fencing, flood lights, ticketing room, change rooms and ablution facilities. Engagements and interventions have since been made with Eskom but to date the power supply to the stadium has not been upgraded and energized. The sporting facilities are usually prone to vandalism after completion and a more community centred approach is being developed to ensure the efficient management of the sporting facilities.

The municipality plans on approaching the Department of Sport and Recreation for further funding opportunities on sporting facilities.

2.25.2. Community halls

From the table below, it shows that only 10 Wards in ELM have community halls and 7 wards do not have community halls. Some of the halls are either not accessible to the communities as there is no clear-cut policy of utilization or their accessibility is a challenge because of poor roads leading to them. Most rural communities are struggling as there are no halls within their areas of residence. In every community engagement with the Mayor the issues of the construction of community halls is always raised as a need in all the wards that do not have them. Two (2) community halls are still under construction at Ilisolomzi location in Ward 9 and at Lower Tsitsana Village in Ward 4. Most of the community halls in rural areas need some renovations.

The table below depicts the number of wards that have community halls and those that don't have community halls:

Table 40: Community halls

WARD No	NUMBER OF HALLS	NAME OF VILLAGE(S)
01	1	Nkalweni
02	1	Ntokozweni
03	1	Sonwabile
04	1	Maclear Town
05	0	

06	0	
07	1	Botshabelo
08	0	
09	1	Mt Fletcher Town
10	0	
11	0	
12	1	Mangoloaneng
13	1	Moabatsane Village
14	0	
15	1	Bethania Village
16	0	
17	1	Ugie Municipal Hall

2.25.3. Cemeteries

Most of the cemeteries in the municipality are generally nearing maximum capacity and a cemetery management system is required to co-ordinate their effective use. Of critical urgency are the numerous informal cemeteries/grave yards which are being used in and around the informal settlements of the three towns. These burial places are not registered and are not compliant in terms of environmental and other legal provisions such as EIA compliance. In Maclear, the only possible land for expansion is located on a vacant land owned by Public Works and used by the Magistrates Court. A new cemetery has been reserved on the outskirts of Maclear and this could accommodate 3000 graves. Unfortunately the community is currently refusing to utilize this new facility.

Generally the key challenge regarding cemeteries in the municipality is around communities being reluctant to use formally established cemeteries to avoid paying user charges. They instead resort to using informally established and unplanned cemeteries which must be closed down as a matter of urgency since this severely compromises the natural environment.

2.25.4. Pounds for small and large animals

In terms of the powers and functions, pound management is the responsibility of the municipality. Supporting legislation includes the relevant Pound Ordinance which is still applicable.

All three pounds are not in a good state and do not conform to the SPCA standards for animal care. The Maclear pound which has been located within municipal office premises has since been relocated to a suitable area on the outskirts of Maclear town.

2.25.5. Parks and open spaces

There are five (5) existing parks in ELM located in Ugie, Maclear and Mount Fletcher. Four of these parks were beautified. Caravan Park in Maclear was revamped and refurbished into an income-generating park for tourists. The refurbishment entailed the construction of swings, a braai area, tables and chairs, upgrading of electricity connections, building of walkways and installation of geysers and showers.

A lot, though, still needs to be done on the established parks in ensuring that they are well cared for and maintained. Upgrading of these which must include re-grassing, landscaping and fencing are matters which must receive priority attention. Installation of playground equipment as well as outdoor furniture within parks themselves and on pavements are features that have a potential of making our parks practical and user friendly spaces. There still is a challenge of providing secured ablution facilities on our parks to promote health and hygiene. Some of the parks like the one opposite the entrance to the municipal offices may need to be transformed into botanical gardens also in line with the “greenest concept” embraced as part of the municipality’s strategic goals.

NB. A public amenities maintenance and management plan has been developed and approved by council and is being implemented.

2.25.6. Library and Information Services

Libraries are a function of the district sphere of government currently performed by the municipality on an agency basis. To give effect to this arrangement a Service Level Agreement has recently be signed with the district municipality who have committed to funding the services by way of a subsidy to the amount of R1,2m. All three towns operate library facilities through seconded professional librarians assisted by staff appointed by the municipality. Some of the challenges regarding libraries include:

- ✓ Lack of access to internet services (in some libraries)
- ✓ Space constraints (no discussion rooms, offices etc.)
- ✓ Lack of dedicated maintenance plans
- ✓ Adequate funding
- ✓ Non-existence of a Memorandum of Agreement

2.26. Community Safety and Security

The fight against crime remains a challenge in the municipality and this is exacerbated by a very few number of police stations found in our area. Even those that are available, accessing them still remain a challenge because of poor road infrastructure and poor telecommunication. There is a Community Safety Forum chaired by

Political Head responsible for Community Safety which sits quarterly. There are only eight (8) police stations in Elundini as indicated by the table below:

Table 41: Ward with police stations

POLICE STATION/COMMUNITY SERVICE CENTRE	AREA
Ugie	Ward 2
Maclear	Ward 3
Elands' Height	Ward 4
Katkop	Ward 7
Mbizeni	Ward 8
Mt. Fletcher	Ward 9
Tabase	Ward 13
Zamuxolo	Ward 14

The municipality maintains services of traffic officials to administer its two Driver Learner Testing Centers located in Maclear and Mt Fletcher (DLTCs). A Vehicle Testing Station has been planned for Mt Fletcher with conceptual drawings and plans already completed. The employment of Law Enforcement Officers has somehow eased the challenge of the implementation of by-laws although the unit is still receiving attention in terms of more law enforcement staff being employed.

2.27. Primary Health Care and Municipal Services

In terms of the powers and functions, Environmental Health Services is a function of the District Municipality while Primary Health Care services have been provincialized. ELM responsibilities with regard to MHS are in the area of issuing of business licenses to food handling premises as well as registration of general dealers, control of nuisances, overgrown erven, enforcement of related bylaws and National regulations as well as other issues which may affect public health

2.27.1. Health Facilities

The ELM is characterized by a lack of access to health facilities as evident by the number of health facilities found in our area. The ELM has only two (2) hospitals and twenty one (21) clinics and four (4) mobile clinics in its area of jurisdiction. Areas that are normally serviced by the mobile clinics are usually those that are hard to reach areas due to either population size and mostly due to poor access roads. The Presidential Project of ideal clinics has been started in three (3) clinics of Maclear Town, Queen Noti and Taylor Bequest who will be functioning for 24 hours. The Emergency Medical Services are also found in Maclear, Ugie and Mt Fletcher. The two tables below depict the number of health facilities found in Elundini:

Table 42: PHC Facilities per Sub-District

Sub-Districts	Mobiles	Satellites	Clinics
Elundini Sub District	4	0	21
Maletswai Sub District	5	2	11
Senqu Sub District	8	2	20
District total	17	4	52

Source: DHIS Pivot tables

The table below as depicts the location of clinics in Elundini:

Table 43: Location of clinics

Name	Ward No.	Type of Facility	Name	Ward No.	Type of Facility
Empilisweni Clinic (Old location Ugie)	02	Clinic	Khungisizwe (Upper Nxaxa)	07	Clinic
Ngxaza Clinic	05	Clinic	Seqhobong Clinic	13	Clinic
Hlangalane Clinic (Ramatee)	07	Clinic	Sonwabile Clinic	03	Clinic
Hlankomo Clinic	16	Clinic	St. Augustine's Clinic	05	Clinic
Katkop Clinic	07	Clinic	Taylor Bequest Hospital	09	District Hospital
Maclear Town Clinic	03	Clinic	Taylor Bequest (Solomzi	09	Clinic
Maclear Hospital	03	Hospital	Ugie Town Clinic	02	Clinic
Mangoloaneng Clinic	12	Clinic	Ulundi Clinic	14	Clinic
Bethania Clinic	15	Clinic	Umnga Flats Clinic	01	Clinic
Mqokolweni Clinic	06	Clinic	Ncembu Clinic	01	Clinic
Queen Noti Clinic	06	Clinic	Gqaghala Clinic	17	Clinic
Lower Tsitsana	04	Clinic			

A large number of people in Elundini remain without access to healthcare as there is no mobile service in the Mount Fletcher and the Ugie mobile service is not in operation. In the areas where the mobile clinic is operational, the poor conditions of the roads make it impossible to access some communities. Maclear has 131 mobile visiting points, but only frequents 120 because of the bad road conditions. There are on-going District

Health Council (DHC) meetings which are held monthly in order to discuss plans to roll out primary health care facilities for better and equitable access. Possible extensions to the Ugie Clinic with a view to transforming it into a 24 hour facility/health center are as reportedly being considered by the provincial Government. It is too expensive for all of the communities to access the fixed health facilities in town. This means that they can't attend preventive services such as immunization for children and family planning.

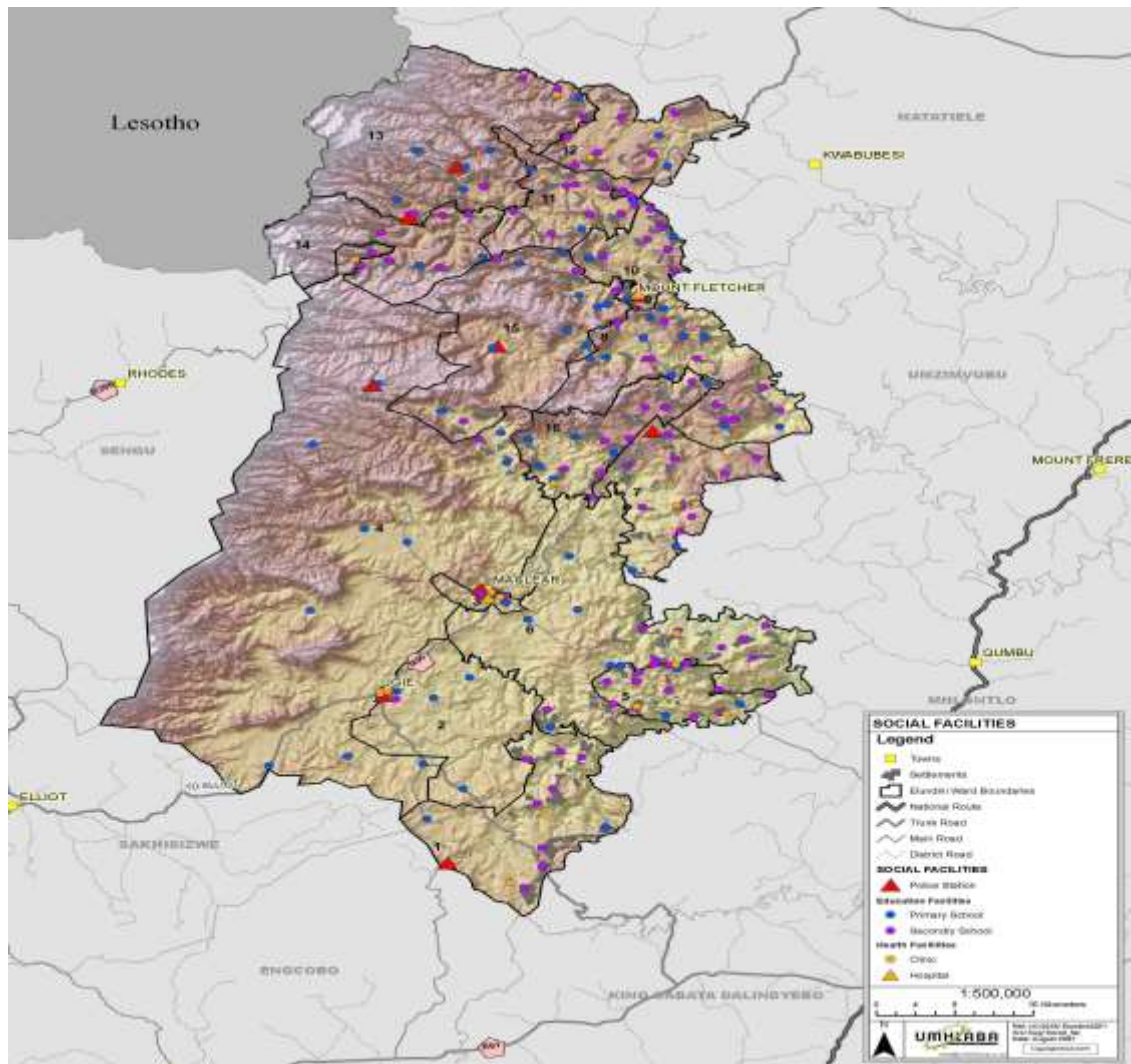
The plan overleaf indicates the spatial location of community facilities in the form of clinics, hospitals, police stations and schools in the Elundini Municipality. Challenges that characterize the functioning of some health facilities in Elundini include, but not limited to, the following:

- ✓ Shortage of staff
- ✓ Lack of running water;
- ✓ Lack of telecommunications;
- ✓ Poor access roads;
- ✓ Lack of electricity;
- ✓ Continuous overflowing of sewerage ponds in clinics around Mt Fletcher;

2.27.2. Priority Health Promotion

The priority programs are HIV and AIDS, TB and mother and child services. There are community based initiatives aimed at prevention of disease and promotion of healthy lifestyles. The district area is implementing the 5 priority health promotion campaigns of nutrition, substance abuse, tobacco, use of healthy environments and risks. In addressing the HIV/AIDS, the ELM has developed HIV/AIDS Strategy which was adopted by Council. In as far as implementation of the plan, the Local Aids Council has been established and launched. It is constituted by role players from different sectors of community including, Health, Business, other Govt. Dept., Community workers and HIV/AIDS activists/groups. The ward based HIV/ AIDS forums have also been establish across 16 wards in ELM. The HIV/AIDS program in Elundini is politically championed by Portfolio Head Community Services and administratively executed in the Office of the Municipal Manager.

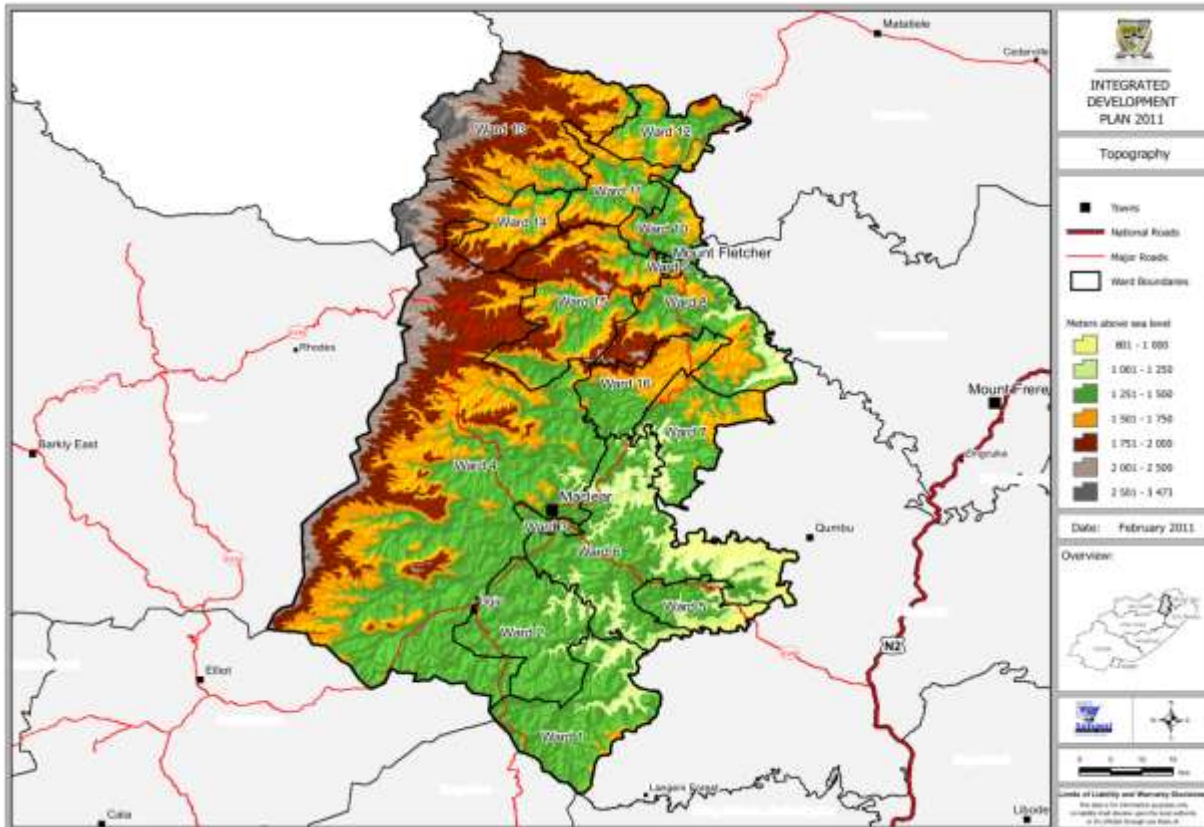
MAP OF SOCIAL FACILITIES



2.28. Natural Environment

2.28.1. Topography and Hydrology

The municipal area has a distinctive topographical character with mountain ranges along the western side overlooking a central plateau, giving way to an escarpment sloping down towards the eastern side and the lower reaches of the Tsolo and Mthatha regions. Much of Elundini has slopes steeper than 1:8 as it forms part of the southern Drakensberg range. This area located along the north and western side of the municipality, due to its high altitude, is unsuitable for arable farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. The Southern Drakensberg creates a scenic environment conducive to adventure and eco- tourism activities such as mountain biking, hiking, skiing etc. The mountains form a watershed which separates the eastern and western parts of the Joe Gqabi District.



MAP SHOWING ELEVATION AND TOPOGRAPHY

Topography influences the type of land use activities that occur, the nature and extent of settlement development and the type of agricultural activities, which are viable. Agriculture is accordingly limited to specific land pockets in the central, southern and eastern portions where the topography, water and soils are very suitable for agriculture and residential uses. The nature of slopes found within the municipality contributes to the high rate of erosion.

2.28.2. Climate and Rainfall

2.28.2.1. Temperature

The region is well known for its temperature fluctuations with temperatures ranging between 42°C and 11°C. On average there are 150 days of frost during the year, usually between March and November. During the winter season, areas affected mostly by snowfall are Maclear stretching to the higher lying areas of Mt Fletcher and temperatures are recorder to reach an average of -5°C.

2.28.2.2. Rainfall

The higher mountain peaks in Elundini have between 800mm – 1200mm rain per annum. Mount Fletcher which is within the municipality falls within the wettest rainfall region. The rest of the area receives an average of 600-800mm per annum.

2.28.2.3. *Predominant wind*

The area is vulnerable to strong winds which are coming from a westerly direction. They are mostly travelling at an average speed of 60 km/h and are very damaging to property and the environment. Coupled to damaging winds, is an observed increase of thunderstorms, lightning and hailstorms. Winds which are associated with light rain are coming from the easterly direction.

2.28.2.4. *Climate change*

Climate change is affecting Elundini as the drier climate in the west moves towards the central portions of the province, wetter, higher rainfall and more frequent storms affect the eastern regions. The mountainous character of the region also has a bearing on the effects of climate change over time. The drier regions will experience loss of biomes and find water resources under increased pressure over time.

The eastern regions are expected to experience increased rainfall. This is already being seen Elundini in the form of increased storm activity resulting in disasters affecting settlements, roads and bridges, buildings, crops and livelihoods. Flooding, high winds and hailstorms are increasing in severity. Higher rainfall is also affecting the incidence of pests in the agricultural sector.

Higher temperatures as a result of global warming could affect the growing characteristics of trees to the extent that certain species may no longer be viable for the forest industry in the area. If this occurs, there may be impact on the forestry sector and the municipal economy.

2.28.3. *Hydrology*

ELM is dissected by rivers like Tsitsa, Thina, Luzi. Within the municipality there are boreholes as well as springs. River sources within the municipality drain its water from Umzimvubu catchment area. Rivers flow eastwards draining towards the Indian Ocean. Water studies conducted for the district indicate that ELM. Elundini has very high groundwater development potential. Mooi River, Inxu River (Wilbeesrivier) and the Pot River are the main tributaries of Tsitsa River. The Maclear Dam on the Inxu River supplies water to Maclear town and the Ugie Dam on the Mooi supplies water to Ugie town. This municipality forms the catchment for the Umzimvubu River, which bisects the region and supplies large volumes of water down to the Indian Ocean.

2.28.3.1. *Tsitsa River Basin Land Use and Environmental Management Plan*

The Tsitsa River Basin Land Use and Environmental Management Plan were commissioned by ASGI-SA Eastern Cape, Elundini and Mhlontlo Municipalities to investigate possible development opportunities in the Tsitsa River basin area. The study was in response to a need for commercial land use developments in the catchment area

that could assist in alleviating poverty in communal areas. The first phase of the study was to undertake a Situation Assessment of the whole catchment that could be used to inform the planning process.

As part of this situation assessment, a number of potential land use development options suitable to the area were identified. The completion of the Situation Analysis was then followed by a more detailed land use planning process for a part of the Tsitsa River Catchment referred to as the focus area. This area was located in the middle of the catchment in the poverty stricken communal areas along the banks of the Tsitsa River and included 15 specific villages and eight Administrative Areas. A Land Use Planning Report was the final outcome of the study.

The study analyzed the status quo within administrative areas within Mhlontlo and Elundini that fell within the focus area. In Elundini these included Mqokolweni, Qurana and Sinxako all falling within Ward 6. The study considered the impact of the development of a dam, which would inundate 2,293ha of land with water. Mqokolweni and Sinxako are both areas that would lose land if a dam was constructed. The study looked at the possibility of interventions in these areas and the priority assigned to them by community representatives, these interventions included Forestry development.

2.28.4. Geology and Soils

ELM is the only area with soils suitable for cultivation in the JGDM, however, degradation is high in the communal land areas of Elundini with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The provision of infrastructure to enable the practice of controlled grazing is necessary to prioritize the rehabilitation of severely degraded areas.

2.28.4.1. Erosion

Degradation is high in the communal land areas of Elundini, with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture estimates that between 300 and 400 tons per hectare of soil are lost annually in the District, ELM being the highest eroded region. In addition to the provision of infrastructure to enable the practice of controlled grazing, the EMP recommends it is necessary to prioritize the rehabilitation of severely degraded areas. The district municipality has various land rehabilitation programs that it implements in the municipality to address land degradation

2.28.5. Biodiversity

2.28.5.1. Vegetation and land cover

Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. Unimproved Grassland dominates the Municipality,

covering 56.40% of the total surface area. This is followed by Degraded Unimproved Grassland (22.70%) and Semi- Commercial or Subsistence Dryland Cultivation (10.56%). The State of the Eastern Cape Province Report (2010) highlights the serious impact of settlement sprawl that is taking place throughout most rural areas, with an increase of 47% in the cover of built up areas compared to the year 2000. Coupled with this sprawl of settlements, is the depletion of resource areas by an estimated 33% and this is expected to have a serious effect on future sustainability of rural communities.

2.28.5.2. *Critical bio-diversity areas*

The Eastern Cape Bio-diversity Plan has analyzed the characteristics of the various environmental attributes throughout all municipalities. The critical bio-diversity areas in Elundini have been identified (refer to map below) and these need to be conserved for the benefit of future generations and preservation of the ecological balance in the area. These are primarily associated with the environmental sensitivity of the mountain range and foothills near Maclear and Ugie. It is of paramount importance that the critical biodiversity areas be reflected in the Spatial Development framework for Elundini so as to ensure effective land use management is achieved in future, in accordance with the requirements of the National Environment Management Act and the Provincial Spatial Development Plan.

2.28.5.3. *Biodiversity conservation*

According to the EMP, mountain areas contain a high number of endemic species, and have been identified as being important for the protection of biodiversity and ecosystem services. Grasslands dominate the district, but in general they have been severely degraded and transformed areas dominate much of the landscape, as revealed by the Eastern Cape Biodiversity Conservation Plan (ECBCP).

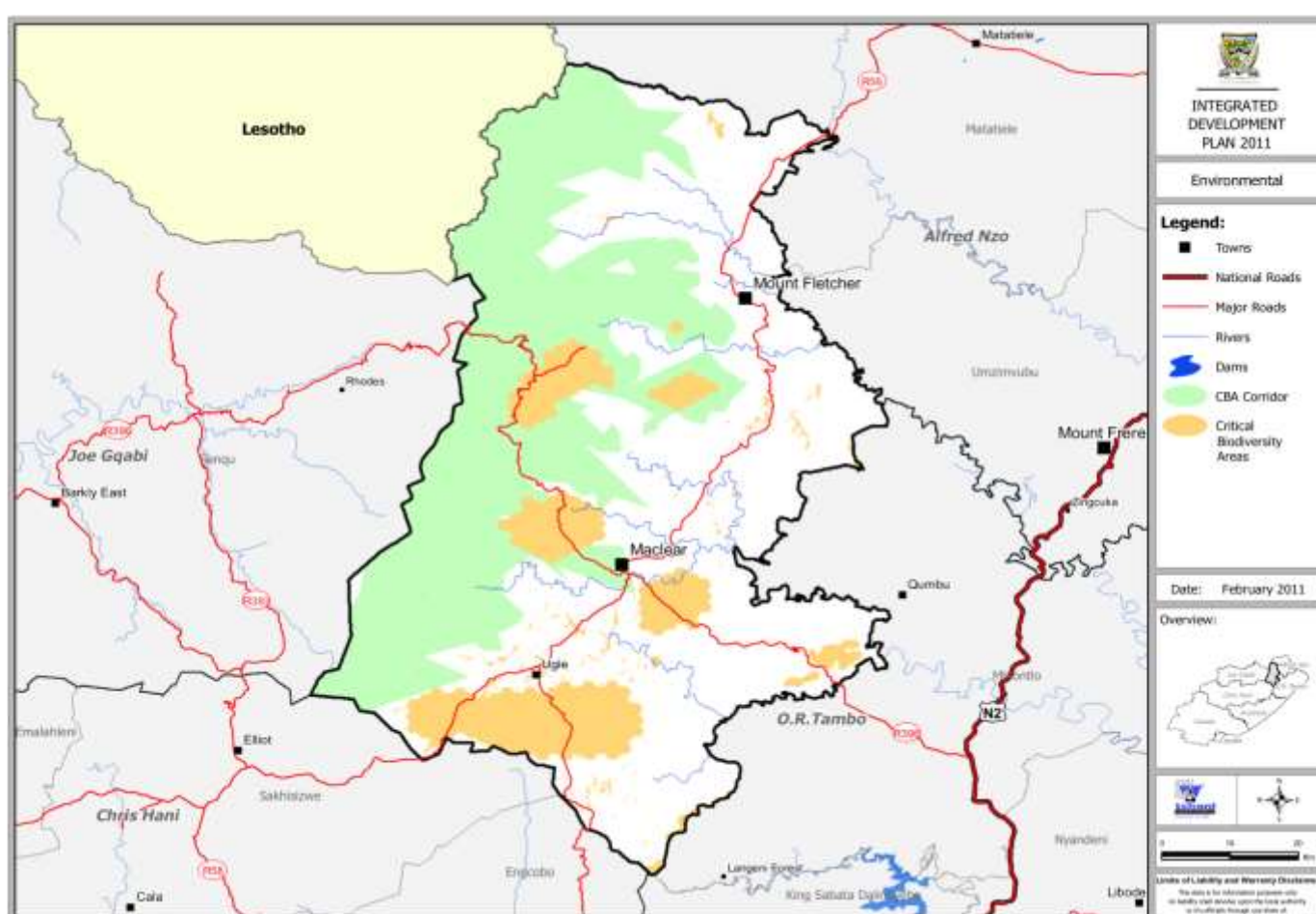
An opportunity therefore exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are preserved, and to build on the attractive and ecologically important landscape for tourism. One of the most important ecological ecosystem services provided by the district is the provision of good quality water, and the large numbers of wetlands found in the upper elevations within a range of vegetation types are critically important in this regard. The EMP suggests there is an opportunity to apply Payment for Ecosystem Principles for water resource protection therefore exists to ensure the protection of vegetation types dominated by wetlands.

2.28.5.4. *Threats to biodiversity*

The EMP states the unsuitable agricultural practices such as increasing irrigation in areas of poor soils and cash crop cultivation in marginal areas, is another threat to biodiversity in the Elundini area. The continuation of degradation of the District's land cover increases erosion. This is especially evident in Senqu and Elundini, but also prevalent in Gariep and Maletswai (now Walter Sisulu) where there is an increase of the Karoo scrubland.

Unsustainable agricultural practices such as increasing irrigation in area of poor soils also contribute to erosion and undermine cash crop cultivation in marginal areas. Very little is being invested into land-care in proportion to the amount of degraded land. Ongoing urbanization and the growth of informal settlements around urban centers is increasing pressure on the environment and stretching infrastructure beyond capacity limits. The municipal area has no dedicated persons looking at environmental issues. Fire, especially in the grassland areas to the east of the District is another factor affecting the environment. Illegal sand mining threatens the aquatic and terrestrial biodiversity.

MAP SHOWING CRITICAL BIO-DIVERSITY AREAS (SOURCE: ECPSDP 2010)



2.29. Waste Management

The municipality has a Solid Waste Management Section and Environmental Unit as part of Community Services Department which is charged with the responsibility of rendering all Solid Waste Management activities, environmental plans and programs. Recently the section has been bolstered by the addition in the structure of the Superintendent Waste and Environment. The Section is responsible for refuse collection, street cleaning, and waste information or waste data management, recycling, awareness and landfill site management. The

Municipality has adopted an IWMP and was sent to MEC for DEDEAT for Endorsement and was duly endorsed. The Municipality has also been screened by DEDEAT as part of their process of updating the Provincial IWMP with specific focus to Joe Gqabi District Municipal Area.

The department has recently introduced a plan to implement the polluter pay principle through revision of refuse tariffs to ensure sustainability of the service and minimal cost recovery. In this regard the tariff policy has been reviewed to incorporate cost elements for services that the municipality render for the public good.

Refuse Removal / Waste Collection

The refuse removal service only focuses in the CBD and peri-urban areas of Elundini Municipality. ELM provides a weekly waste collection service to all the households and daily service to businesses in Maclear, Ugie and Mt. Fletcher. In residential areas, household waste is placed in the kerb outside the house and collected from there by municipality. This domestic waste should be contained in refuse bags which are tied or knotted. ELM provides daily refuse collection services in town focusing on Businesses and Government Institutions.

Street Cleaning / Cleansing

Street cleaning is conducted daily with the main focus being in the CBD and adjoining streets. Clearing of Illegal Dump Sites and Township Street Cleaning is done through a combination of departmental staff and EPWP workers allocated to the department. The Good Green Deeds program of the department of Environmental Affairs recently launched is planned to second around 22 local youth who will assist the municipality in heightening awareness on issues of cleanliness and environmental education among communities. They will also largely deal with cleaning illegal dumps. There is also a skip service available and sidewalk bins placed at strategic points in Mt. Fletcher, Ugie and Maclear town to ensure that Businesses and people have access to them and ultimately reduce levels of littering. The number of street litter bins is planned to be increased in the 2019/20 financial year to ensure adequate litter control.

Waste Disposal/Landfill Site

ELM has three permitted waste sites namely: Maclear transfer, Ugie and Mt. Fletcher landfill sites. The three sites came into operation in 2004. The Elundini municipality entered into PPP agreement with Interwaste (PTY) Ltd. Interwaste started operating and managing the sites on the 1 July 2014. The main responsibility of Interwaste is the operation and management of Ugie, Mt Fletcher and Maclear Landfill Sites and to ensure that the permit conditions of the waste facilities are adhered to. The Maclear landfill site is utilised as a transfer station, while Ugie and Mt. Fletcher are being utilised as disposal sites.

Other responsibilities for Interwaste in the operation and management landfill sites, is to provide monthly reports on waste volumes and also ensure that the sites are operated in accordance with the permit conditions. The Municipality regularly visits the sites to ensure compliance with the Permit Conditions of the Sites and with the terms of the Contracts with Interwaste. In addition to this monitoring regime the district Environmental Health Practitioners visit the sites on a monthly basis to check on compliance with the Department of Environmental Affairs conducting random inspections. The Public Private Partnership agreement is due to be reviewed in 2019 to appraise the contractor's performance as well as to make any other necessary adjustments aimed at ensuring improvement in performance.

Recycling

ELM is working closely with Elundini Cooperative Development Centre to ensure that Cooperatives in the Recycling Sector are organised and assisted. This platform created an opportunity for the Municipality to consolidate the different requests that are submitted by Cooperatives and will ensure that everyone benefits from any assistance that is offered by the Municipality. There are currently six recycling cooperatives which are formally registered and plying their trade albeit on a smaller scale. ELM also has a Material Recovery Facility located at the Ugie Landfill Site. Currently the MRF is not in a suitable condition to be accepted by the Municipality and operated accordingly. The Municipality will make efforts to rectify the structure and be able to offer recyclers an opportunity to be involved in the sector. Ongoing discussions between the municipality and the implementing agents of the MRF project have yielded positive results. Accordingly the MRF is undergoing repairs towards finalisation to enable planned operations.

ELM aims to promote waste minimization and recycling in the three towns and to create employment opportunities through that MRF. The MRF will contribute towards local economic development and increase the lifespan of landfill site. Currently the MRF is due to be repaired through internal funding mechanisms to pave way for its use and operation by local recycling cooperatives.

Education and Awareness

ELM has initiated programs to increase awareness concerning waste management and particularly to promote a cleaner environment to live in, in and around urban areas. Efforts to strengthen this program has been made possible by the creation of the position of Environmental Awareness and Education Practitioner who among others is also responsible for championing waste minimisation activities. The main purpose of the programs is to raise awareness and educate Elundini Municipality residents/community about issues related to cleanliness,

waste, environmental management and sustainable development. The waste management awareness focuses on the anti-littering programs for the public/clean up campaigns. The Municipality intended to hold a minimum of two Campaigns per year in order to influence community mind set on waste and environmental management matters. Clean-up Campaigns and Awareness Campaigns have been conducted in all three towns. The position of an education and awareness officer has recently been approved and awaiting filling. ELM is an active participant of the Climate Change, Waste and Environment SALGA Forum, DEDEAT Waste Management Forum and the Joe Gqabi District Environmental Management Forum.

(a) The achievements in the waste management program

- Collection Services to more than 7336 households and 222 Businesses
- Daily Street Cleaning and Skip Bin Removal Services for Businesses
- Purchase of 2 new 4 Ton Truck for servicing Ugie and Mt Fletcher
- Use of a vehicle tracking system to monitor fleet movements
- Purchase of 6 additional Skip Bins for Ugie and Maclear and refurbishment of about 8 bins in Mt Fletcher
- Provision of additional Skip Bins for Mt Fletcher
- Strictly monitoring the implementation and performance of Interwaste on poor performance in terms of the PPP Agreement through various monitoring and inspections
- The employment and secondment of one local young person under the Good Green Deeds program of DEA

(b) Challenges

- Inability to extend basic waste/lack of refuse removal services in rural areas
- Shortages of personnel for effective Management of Solid Waste
- Poor Condition of the Ugie MRF
- Poor road conditions for accessing landfill sites and some townships
- Landfill airspace running out
- Lack of sector plans such as the Air Quality Management Plan and the Environmental Management Plans

Available Fleet – Refuse Removal Vehicles

MACLEAR	UGIE	MT FLETCHER
Supervisor vehicles X 2	Supervisor vehicles X	Supervisor vehicle X 2
1 x REL Compactor Truck 1 x 4 Ton truck	2 x Tractor and Trailers 1 x 4 Ton Truck	1 x Tractor and Trailer 1 x Tractor and Skip Loader

2 x Tractor and trailers		1 x 4 Ton truck
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2.30. Free Basic Services

The function that deals with the free basic services is performed within the Income and Expenditure section in the Budget and Treasury Office and is filled. The ELM has adopted its Indigent Support Policy which it reviews annually, together with the IDP and Budget, which makes it accurate and credible. The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent policy is intended to provide poor households on-going access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery. The municipality currently provides free basic refuse removal service to poor households.

2.31. By-Laws and Enforcement

ELM has recently revised and adopted its waste by-laws in order to comply with the NEMWA Act, 2008. Due to lack of adequate capacity to enforce the by-laws, there are numerous sporadic cases of illegal dumping and littering by both residents and commercial businesses. Even though these are usually identified and cleared on a monthly basis they soon reoccur due to lack of enforcement. Council also passed a specific resolution for the imposition of a R4500 fine to those found to have illegally dumped waste upon investigation. At times community members with full knowledge and access to regular collection service still dump their waste indiscriminately. Other relevant municipal bylaws being enforced include the street bylaws, informal trading, nuisance, impoundment of stray animals bylaw, cemetery and road traffic bylaws to name but a few. ELM has also introduced regular programs aimed at raising awareness among communities against illegal dumping and other activities likely to damage the environment. To date the municipality has initiated a monthly program aimed at clearing identified illegal dumps as part of its budgeted operations.

2.32. Air and Noise Pollution

ELM does not have an Air Quality Management Plan and Air Pollution By-laws in place and will have to consider developing these as part of its compliance to Air Quality Act, 2004 (NAMAQA). As a member of the relevant air quality forum which sits on a quarterly basis ELM understand the need to monitor and manage air pollution sources in the area given various natural and manmade sources and P.G Bison industrial operations which is a major source of air pollution in the area. Other sources of air pollution such as manmade agricultural activities, burning of fossil fuels, vehicular traffic and natural sources as wind will receive corresponding priority. This plan

will also ensure that air and noise pollution, especially in urban areas are effectively monitored and by-laws are enforced. Plans are at an advanced to designate one of the employees as an air pollution control officer. Currently the forms of pollution are dealt with through existing framework of legislation such as the approved Integrated Waste Management Plan (IWMP), waste and nuisance bylaws. Currently pollution control is achieved through various municipal bylaws such as nuisance bylaw and fire brigade bylaws. The waste disposal site bylaws also disallow any form of burning within areas demarcated as landfill sites.

2.33. Sewage Spillages

Sewerage spillages (water and land pollution) are also monitored. These are the most frequent type of environmental pollution. Unfortunately, their frequency is very high especially in the central business district of Maclear town due to lack of bulk services capacity, poor management and insufficient funding for maintenance. The water services authority, Joe Gqabi district, has offices stationed in Maclear in order to facilitate easy and quick response in the event of any such spillages, leakages and other water nuisances occasioned by burst water pipes.

2.34. Environmental Opportunities

The ELM does not have its own Environmental Management Plan and will consider developing it and is currently using the one developed by the district municipality. Some areas of the District area are endowed with scenic beauty that has significant potential for agriculture and tourism sectors. In addition, a number of endemic species contributes to the potential of the District. In addition, climatic, soil and topographic aspects show that Elundini has an environment more suited to a variety of agricultural activities. The recently adopted Spatial Development Plan and SPLUMA are implemented in a manner that ensures checks and balances are in place to ensure that any development takes cognisance of the environment and its sensitivity.

Even though this plan is not in existence, our realization is such that it will be prioritized within the short budgeting period.

2.35. Southern Drakensberg Sustainable Development and Conservation Strategy

The Southern Drakensberg Sustainable Development and Conservation Strategy, developed for the Elundini and Senqu Local Municipalities, has the following vision: “Improving the quality of life for all by facilitating sustainable economic opportunities in balance with the environment”. This long-term developmental vision contains the following key principles:

- ✓ Improving quality of life

- ✓ Facilitating local economic development
- ✓ Sustainability
- ✓ Creating opportunities
- ✓ In balance with the environment

These principles enforce the strategy's primary objective which is to investigate the opportunity to unlock the economic potential of the region in a sustainable manner. It aims to strengthen the environmental sustainability of the IDPs and SDFs and address key structural and systems issues that are inhibiting the economic potential of the area.

The overarching goal of this strategy is to improve the quality of life of individuals in the eastern portion of the JGDM. These goals are influenced by the principles of sustainable development with the strategy using the moderate to strong definition of sustainable development which entails the improvement of human and social capital without the loss of natural capital. Through this sustainability process the strategy aims to conserve all forms of capital in the area i.e. Natural, Human, Social, Financial, and Manufactured capital.

To achieve these goals the Southern Drakensberg Sustainable Development and Conservation Strategy identified five strategic pillars. These pillars are:

- ✓ Sector Development
- ✓ Environmental Management
- ✓ Investment in Infrastructure
- ✓ Creation of Strategic Partnerships and Institutional development
- ✓ Human Resource Development

2.35.1. Waste Collection Services: Refuse Removal

SOURCE	JGDM	ELM	%
Removed by local authority/private company/community members at least once a week	117 381	28 395	19, 59%
Removed by local authority/private company/community members less often than once a week	5 696	308	0, 21%
Communal refuse dump	6 160	2 047	1, 41%
Communal container/central collection point	1 329	108	0, 08%
Own refuse dump	220 293	96 419	66, 53%
Dump or leave rubbish anywhere (no rubbish disposal)	17 120	13 074	9, 02%

Other	4 933	4 579	3, 16%
	372 912	144 930	100%

Source: CS 2016

Elundini LM has addressed the issue of unlicensed landfill sites since 2007 when the first LED Strategy was compiled. There are capacity issues with the expansion of the existing waste site at Ugie, however a program for recycling has been put in place and it is hoped that this will reduce the volume of waste entering the site. The recycling program is to be a Public Private Partnership (PPP). Landfill sites abound in the rural areas where refuse is not collected.

2.36. District Disaster Management Plan

The disaster risk assessment was conducted by the district in 2008, the district is in the process of developing disaster management plan. The District has formulated a Disaster Management Framework, a generic Disaster Management Framework and a Corporate Disaster Management Plan. These plans are used by the District to exercise its powers and conduct its duties in disaster management. The District Disaster Management Centre is developing a Scientific Based and Proven District Disaster Management Plan. This quantifies various risks, and provides strategies on how to identify and classify risks, ensures proper prevention, mitigation and response mechanisms, which are to be managed by all stakeholders.

The current institutional arrangement regarding fire and disaster management is not adequate for the purposes of discharging the municipality's mandate towards its citizens. At the helm of providing response to the various incidents and disasters only two Fire and Disaster Management officers have been employed. These efforts are assisted by participation and affiliation to the local Fire Protection Agency under the auspices of PG Bison and the local farming community. Various efforts have been made to conclude a Service Level Agreement with the Joe Gqabi district municipality for the release of a Hino fire engine truck aimed at improving ELM's capacity to render a comprehensive fire response. Up till now the municipality relies on a skid vehicle, being a small bakkie carrying a mini water tank.

ELM does not have its own approved Disaster Management Plan but fully recognizes the value and importance associated with having one. While continuing to use the district wide Disaster plan, plans are at an advance stage to free resources in order to develop one. The ability of the municipality to maintain its operations and service delivery following major incidents and or natural disasters is highly dependent on its disaster preparedness. The municipality is planning a review of its organogram to accommodate the planned shared fire services model in partnership with Joe Gqabi District municipality and Working on Fire.

Electing to participate in the shared model will yield various benefits to the municipality which include a complete revamp of existing fire hydrants, erection of fully equipped fire stations/disaster centers, secondment of staff from Working on Fire as well as provision of state of the art fire fighting engines and equipment. The premium that the municipality will have to pay for all this would be considerably far less in comparison with what costs it would incur were it to provide these itself. Section 78 study reports have already been tabled before the Local Labour Forum (LLF) to pave way for a Council resolution in support of the shared service model.

2.37. Spatial Planning

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for ELM has statutory status and overrides any other plan for the area or portions of the municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional development plans, regional structure plans and more localized plans such as Urban Structure Plans. As such, the Elundini Spatial Development Framework becomes the principle instrument for forward planning and decision-making on land development in the Elundini Municipal area.

The municipality has as from May 2018 appointed Umhlaba Consulting to review and update its SDF to be in line with SPLUMA and other applicable regulations. The reviewed SDF has since been approved by the council in December 2018 with Council Resolution No. CON/297/18. The municipality has also developed its Land Use Scheme which is submitted for the approved by the Council in June 2019.

(i) By- Laws

Of the five standard by-laws received from the Department of Rural Development and Land Reform (model planning and land use by-laws; model framework for delegations; model of tariffs; transitional provision and supporting document); the institution has customised and adopted the land use by-law; merges the model tariff structure with the institutions tariff structure and is in the process of customizing the delegations framework to fit that of the institution.

(ii) The establishment of Municipal Tribunal

The ELM Council has resolved that the municipality will form part of the District Tribunal with Joe Gqabi and the other local municipalities under this district and the JGDM will be a stakeholder as the WSA. The municipality has thus signed the service level agreement into this effect. The different stakeholders have identified the expertise which will be required to sit in the District Tribunal and Joe Gqabi is in the process to procure relevant expertise to serve on the tribunal. The tribunal will now start to operate from July 2019

Work in the planning stages for SPLUMA implementation

SPLUMA also requires that each institution compile a wall to wall Spatial Development Framework (SDF) and Land Use Scheme (LUS) in order to align with relevant legislation. To accomplish this planning work, it is the intention of the Town Planning Unit to first compile Ward Based Plans and then the SDF and LUS. The above must be accomplished during the 5 year transition phase on the implementation of SPLUMA.

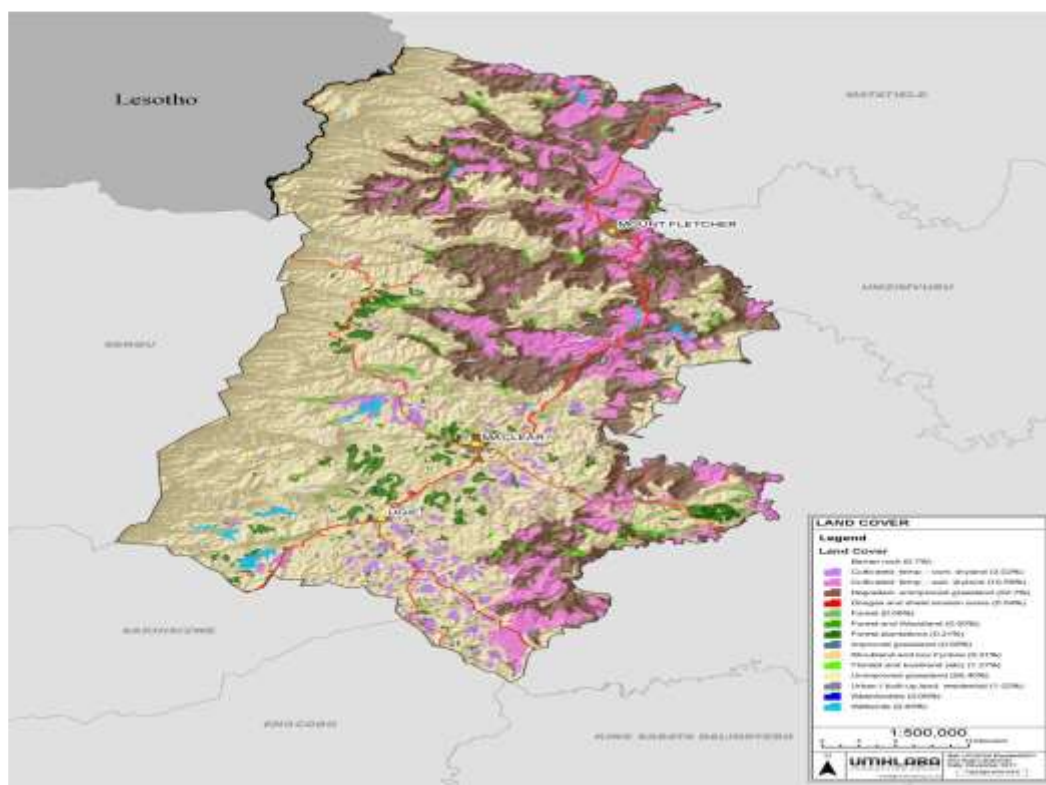
The ELM has embarked in developing the inner-city /town precinct plans for its three town so as to:

- To create efficient and productive cities/ towns with less poverty and sustained by dynamic Economies
- To reduce existing infrastructure and service disparities
- To provide better housing and shelter and greater security of tenure for urban residents
- To encourage affordable growth of local economies
- To tackle spatial inefficiencies, especially the mismatch between where people live and work - to improve the quality of the urban environment
- To transform local authorities into effective and accountable local government institutions
- To establish safe and secure living and working environments

All the three town, Ugie, Maclear and Mount fletcher have the drafts at this stage which will be finalised shortly. Strategic projects identified through these plans will be implemented in the next four years in alignment with the budget availability.

2.37.1. Spatial Planning Elements

2.37.1.1. *Land use package*



The land cover pattern is largely determined by topographical and climatic factors. However, past political engineering, current tenure arrangements and population densities have impacted on the type of land cover.

An overall view of land use (cover) in Elundini LM indicates the following:

- ✓ Unimproved grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by degraded unimproved grassland (22.70%) and semi-commercial/subsistence dry land cultivation (10.56%)
- ✓ The presence of grasslands indicates the potential for livestock and game farming in the agricultural economy of the area.
- ✓ A concern however, is the fact that some 23% of the total land area is classified as degraded/eroded. The majority of this area falls within the rural settlement areas of the former Transkei. This is indicative of:
 - ✓ An imbalance between the resident population and the available land resource; and/or
 - ✓ Inefficient land management practices in regard to agricultural activities. In this instance, it is likely that overstocking and overgrazing is largely responsible for the state of the land.
- ✓ The importance of agriculture in the region is highlighted by the fact that 6.3% of the land cover is forestry and commercial farming, with a further 10, 56% subsistence farming.
- ✓ Land upon which urban development and/or human settlements have been developed comprises only 1.02% of the total land area, which is indicative of a low-density settlement pattern. This emphasizes

the opportunity presented now by ensuring that future development is undertaken in an environmentally friendly manner, so securing the greatest asset of the area for future generations.

- ✓ Of environmental significance is that wetlands cover 0.62% of the Municipal area.

2.37.1.2. Land Ownership

Plans illustrate the current land ownership patterns prevailing across the municipal area, as well as within the main urban settlements. The following points are noted:

- ✓ There is a lack of ownership information for the urban areas in particular the town of Mt. Fletcher.
- ✓ From the information that is available, it is evident that the majority of land ownership is private
- ✓ The distribution of land ownership indicates that any meaningful land reform program to be pursued in the Elundini LM area will be reliant on restitution and land redistribution programs.

2.37.2. Development priorities in alignment to Spatial Framework

The development priorities of the municipality focus on infrastructure and service delivery. The situational analysis revealed that there is a severe shortage of essential services and infrastructure in some areas of Elundini, especially in the former Transkei. There are also discrepancies in the service delivery between the rural and the urban areas. The spatial implications in providing these basic essential services and infrastructure are:

- ✓ To identify the areas in greatest need of basic essential services and those areas must be prioritise for level one investment.
- ✓ To provide affordable and sustainable level of housing, services and infrastructure.
- ✓ To ensure that the environmental factors and constraints are taken into account in the delivery of services.
- ✓ To ensure equitable distribution of infrastructure and services.

2.37.3. Addressing Spatial Fragmentation

- ✓ Spatially fragmented settlement patterns, often comprising of low density, sprawling settlements areas are costly and difficult to service. Therefore, it is necessary to develop a means to prioritise service delivery and attempt to encourage more efficient settlement patterns by focusing on areas of potential and/or greater accessibility.
- ✓ The urban nodes of Ugie, Maclear and Mount Fletcher play a vital role in the functioning of the Municipality. It is where the largest concentration of economic activities, resources and services are situated. In order for the effective utilization of these resources and services, it is important that the towns' forms promote efficiency. In order to achieve this, the following principles need to be adopted, the urban sprawl needs to be contained, ensuring compact urban settlements by means of urban intensification (infill projects & promotion of higher densities).

- ✓ Absorption of population growth within the existing urban edge. The benefits achieved from this relate to efficiency, cost, convenience and resource utilization. The continuity of urban development, as opposed to fragmentation, so as to functionally integrate urban areas. There must be integration of uses and activities, to maximize convenience and vitality. There must be multi-functionality and sharing of public spaces and facilities in order to make the most efficient use of public investment the integration of built and non-built environments, in order to achieve the economic, environmental and recreational interaction that potentially exists between them and to make maximum productive use of urban resources. Equitable distribution of public facilities and services throughout the Municipality. Incorporated into the principal of urban efficiency is the controlled management of urbanization. A trend of urbanization is evident in the Municipality especially in Ugie and Maclear. The pressure of urbanization is not only in the need for land for housing but also increased pressure on commonage land, cemeteries, social infrastructure e.g. sports field etc.
- ✓ Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the longer term period'. Therefore Land use planning and development in the Elundini Municipality should protect existing natural, environmental and cultural resources. It is also important that the prime agricultural land should remain in production. Environmental Management principles dictated that development must be sustainable, and not to the detriment of future development. This places great emphasis on the linkage between sound land use management and environmental management and highlights the need to integrate the two functions in an operational manner in the land management functions of the Elundini Municipality.

2.37.4. Kei Development Corridor

The Kei Development Corridor is an initiative to promote economic development in the area surrounding the main road and rail links from East London to Mthatha. The Kei Rail Project is the “anchor” project in the Kei Development Corridor and is centered on the upgrading of the railway line between East London and Mthatha. While the focus of the project has been on improvements to the rail infrastructure, the project also aims to stimulate and sustain socio-economic growth and development within the Kei Development Corridor. The Kei Rail Project is just one of a number of identified Mega Projects in the Kei Development Corridor, other Mega Projects include Wild Coast Meander, N2 Toll Road EIA, Kei Rail Business Plan, East London Harbour, Umzimvubu Basin Water Projects, Ugie-Langeni Road, East London IDZ, MELD Corridor and Massive Food Production Program.

The Ugie-Langeni Road and The Umzimvubu Basin Scheme Mega Projects impact on ELM. The Kei Development Corridor Report highlighted the importance of The Ugie-Langeni Road with regard to providing access for timber and agricultural produce to markets and production facilities and increase freight opportunities for the Kei rail. In addition, the construction of the Ugie-Langeni road will have positive 'spin-offs' for the tourism industry and travel patterns by unlocking the natural resources of the Ugie and Engcobo areas.

2.38. Municipal Transformation and Organizational Development Status Quo on Human Resources Management and Development

2.38.1. Institutional Characteristics Institutional Structure

At present the Elundini Municipal Council consists of 34 Councillors and has 17 Wards, half of which are elected in terms of proportional representation and the remaining Councillors are directly elected, i.e. are Ward Councillors. The Elundini Municipality has a Collective Executive System with a Ward Participatory System. The Executive Committee is chaired by the Mayor and consists of five (5) members of the Executive Committee appointed by the Council on a proportional basis. The Mayor is also mandated with the responsibility of the IDP formulation and review processes and their tabling to the Council. The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the Standing or Portfolio Committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

The chairperson of the Municipal Council is the Speaker. The Council has defined the following roles for the Speaker (over and above the roles assigned by the Municipal Structures Act):-

- ✓ Leader of council in respect of the oversight function;
- ✓ Custodian of the interests of the members of the municipal council;
- ✓ Politically in charge of the community development workers' program; and
- ✓ Responsible for the training and development of ward committees

In terms of Section 72 – 78 of the Municipal Structures Act, the Council has established 17 ward committees which are chaired by their respective Ward Councillors. Each committee has 10 elected representatives and their term of office runs concurrently with that of the municipal council. The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully

functional and effective, it is able to influence the decision taken in Council. There is a cordial relationship between the communities and their ward committees and ward committee meetings are held as per their schedule and they submit reports to the municipal council for noting through the Office of the Speaker.

ELM has established six (6) Section 79 committees and five (5) Section 80 Committees which are aligned to the administrative departments and are chaired by members of the Executive Committee. These committees sit their meetings according to the adopted municipal council calendar.

Administrative Structure

ELM's executive management structure consists of the Municipal Manager, appointed in terms of section 54 (a) of the Local Government: Municipal Systems Act and five managers that have been appointed by the municipal council in terms of Section 56 of the Municipal Systems Act and one non-section 56 senior manager directly accountable to the municipal manager. The ELM macro organizational structure consists of the following departments:-

Table 44: Top Management

	NAME	POSITION	DEPARTMENT
1.	Mr. Khayaletu Gashi	Municipal Manager	Office of the Municipal
2.	Mrs Nonkuselo Sokutu	Senior Manager: Strategic Support Services	Manager
2.	Mrs. Ntomboxolo Eddie	Director	Planning and Economic Development
3.	Mr. Sandile Matubatuba	Director	Corporate Services
4.	Mrs. Sisekho Sako	Director	Infrastructure Planning and Development
5.	Mr. Luther Kokose	Director	Community Services
6.	Mr. Jack Mdeni	CFO	Budget and Treasury Office

The municipality's main political and administrative offices are situated in Maclear with two administrative units in Mount Fletcher and Ugie headed by their respective unit heads. Only the municipal manager and managers reporting directly to the municipal manager are on a 5 year performance-based contracts and have all signed their performance agreements which are reviewable annually. All other employees are employed on permanent basis except for the EPWP workers who are employed on six months basis and those who are interns.

2.38.2. Council Oversight Role

2.38.2.1. *Audit Committee*

The current ELM Audit Committee, which is functional, was appointed in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003. Three members of the Audit Committee had their contracts renewed effective from 1 July 2018 will run until June 2021. The ELM Audit Committee performs its functions in terms of the adopted ELM Audit Committee Charter. The ELM Audit Committee also audits performance information of the municipality.

2.38.2.2. *Municipal Public Accounts Committee (MPAC)*

In order to meaningfully play its Oversight Role, the Elundini Municipal Council has formally appointed the current Municipal Public Accounts Committee (MPAC) on 23 August 2017 which will run its term with the current term of Council. Prior to this, an Oversight Committee established in terms of Circular 32 of the MFMA was operational. The Department of Cooperative Governance and Traditional Affairs has provided guidelines on the establishment of MPACs and thus proposed terms of reference for the MPACs. The MPAC functions well. Other Section 79 Committees established by the municipality are the Rules Committee and the Members' Interest Committee.

2.38.3. Risk Management

ELM has Risk Management Policy, Risk Management Strategy and Implementation Plan in place. ELM has reviewed its Risk Management Policy, Risk Management Strategy and Implementation Plan. ELM has also established a Risk Management Committee (RMC) constituted by municipal management and is chaired by the Municipal Manager. The RMC sits quarterly and functions within the municipality's Risk Management Charter that further provides terms of reference for the Risk Management Committee. A risk register is developed annually where the municipality classifies its risks and then develops mitigating factors to deal with the identified risks.

2.38.4. Anti-Corruption, Fraud and Complaints Management

ELM has developed a Fraud Prevention Strategy, Fraud Prevention Plan and Whistle Blowing Policy which have been reviewed together with the Risk Management Strategy. ELM also established a fraud prevention hotline managed by an independent firm of auditors, Deloitte. As part of awareness, the municipality's website, newsletter, municipal letterheads and municipal accounts bear details of the hotline prevention numbers. ELM, likewise, maintains a fully functional customer care service that receives and deals with all service delivery related complaints, including billing related queries. ELM manages all logged complaints in line with the service standards charter, which inter alia, regulates communications protocols and stringent turnaround times.

2.38.5. King IV Code

ELM commits to align its policies, strategy and its operational procedures to the King IV Code. As indicated in the King IV Code, it applies to municipalities because they operate in a system of corporate governance which requires that the various spheres of government (National, Provincial and local) cooperate in exercising powers and performing their functions. In adhering aligning itself to the code, the municipality, will consider:

King IV Code's objectives which as follows:

- To promote corporate governance as integral to running an organisation and delivering governance outcomes such as Ethical Culture, Good performance, Effective Control and legitimacy;
- Broaden the acceptance of King IV Code to be acceptable and fit for implementation across the various sector and organisation types;
- Reinforce corporate governance as a holistic and interrelated set of arrangement to be understood and implemented;
- Encourage transparent and meaning reporting to stakeholder;
- Present corporate governance as a concerned with not only structure and processes but also with ethical consciousness and conduct.

The governance outcomes:

These are the benefits that the organisation could realise if the underlying principles are achieved. The governance outcomes are:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

King IV principles such as following

- The governing body should lead ethically and effectively;
- Govern the ethics of the organisation in a way that supports the establishment of an ethical culture;
- Ensure that the organisation is and is seen to be a responsible corporate citizen;
- The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process;

- The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;
- The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties;
- The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness;
- The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities;
- The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives;
- The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives;
- The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen

ELM has started to infuse the broad principles of the King IV report in its systems and processes during the 2017/2018 financial year, by undertaking an ethics management maturity assessment, through an instrument that contains indicators that are structured around the following categories:

- Leadership commitment
- Community ownership
- Governance structures
- Integrity management strategy
- Prevention:
 - ✓ Promoting a professional ethical culture

- ✓ Policies and procedures
- ✓ Corruption risk management
- ✓ Pre-employment screening
- ✓ Conflict of interest management
- Detection
- Investigations
- Resolution
- Monitoring and reporting

The draft Integrity Management Strategy has been developed following the outcomes of the Municipal Integrity Maturity Assessment.

2.38.6. Elundini Organizational Structure Overview

As part of the annual IDP & Budget review processes, the Municipality has reviewed its institutional Organogram in order to reflect whether the municipality will be able to deliver on its Constitutional mandate and as circumstances so demand. The reviewed Organizational structure is adopted with the adoption of the final IDP and Budget. The Municipal Manager and Managers directly accountable to the Municipal Manager have all been appointed and are on a 5 year performance contract besides those employees who are employed on an EPWP program. Managers that report directly to the Directors and Senior Manager annually sign their performance agreements that are aligned to the municipality's SDBIP. Below is the municipality's macro structure that was reviewed and adopted with the adoption of the IDP and Budget. The whole structure of the municipality is attached as an annexure to the document. The following are the municipal departments:

Table 45: Municipal departments and their functions

DEPARTMENT	FUNCTIONS
1. Office of the Mayor and Speaker	✓ Strategic support to both the Mayor and Speaker
2. Municipal Manager's Office	<ul style="list-style-type: none"> ✓ Strategic Support ✓ Legal Services ✓ Internal Audit ✓ IDP ✓ PMS ✓ M&E ✓ Risk Management ✓ Special Programs, including HIV & AIDS, Youth, Women and PWD ✓ Public Participation and Strategic Communication

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3. Corporate Services	<ul style="list-style-type: none"> ✓ Human Resources ✓ Administration and Support ✓ Information Communication Technology and Support
4. Planning and Economic Development	<ul style="list-style-type: none"> ✓ Spatial Planning, GIS and Town Planning ✓ LED ✓ Property development
5. Community Services	<ul style="list-style-type: none"> ✓ Waste Management and Environment; ✓ Public Safety; ✓ Fire & Disaster Management; ✓ Law Enforcement ✓ Libraries ✓ EPWP/CWP
6. Budget and Treasury Office	<ul style="list-style-type: none"> ✓ Income and Expenditure; ✓ Budget Planning, Monitoring, Financial Statements and Report; ✓ Supply Chain Management; ✓ Asset Management
7. Infrastructure Planning and Development	<ul style="list-style-type: none"> ✓ Project Management Unit; ✓ Building and Civil Works ✓ Electricity

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Council Speaker

Aim:
Structure the Legislative and Executive functions. Presides at meetings of Council

Mayor

Functions, Powers and Responsibilities:

- In terms of Section 56 of the Municipal Systems Act;
- Chapter 7 of the MFMA;
- etc.

Executive Committee

Exercises executive powers as per the Municipal Systems Act, viz. approving of budgets; approval of the IDP; passing of By-laws; etc.

Whip – Section 79 Committees

Functions:

- Determining agendas of Council;
- Ensuring that Party Councillors have been nominated
- Providing support to the Speaker in terms of Rules, Conduct, etc.

Municipal Manager

As head of Administration, powers and functions as defined in the Municipal Systems Act and MFMA amongst others; including functions delegated by the Mayor and Council

(Filled)

Portfolio Councillors

(Section 80 Committees)

- MM Office
- Finance
- Corporate Services
- Planning & Economic Development
- Infrastructure Planning and Development &
- Community Services

Senior Manager: Strategic Support Services: Office of the Municipal Manager

1. IDP
2. Institutional PMS
3. Monitoring and Evaluation
4. Risk Management
5. Public Participation, Customer Services and Communication
6. Special Programmes
7. Legal and Compliance Services
8. Internal Audit Services
9. Strategy Coordination
10. Manage the office of the MM, Mayor and the Speaker

Director: Corporate Services
(Section 56)
(Filled)

Chief Financial Officer
(Section 56)
(Filled)

Director:
Community Services
(Section 56)
(Filled)

Director: Planning &
Economic Development
(Section 56)
(Filled)

Director: Infrastructure
Planning & Development
(Section 56)
(Filled)

2.38.6.1. Status on Vacancies

The Municipality's approved organizational structure consists of 343 positions in total. Only 291 positions have been filled, making it 84.8% positions filled, and 52 positions are still vacant, making it 15.2% vacancy rate. The number of filled positions include those of six (6) Section 56 Managers, which have all been filled. All the vacant positions have been budgeted for and the delay in filling them has been the result of delays in the job evaluation process and vetting process. Below is the breakdown in the filling of posts per department:

Table 46: Status on vacancies

Department	No. of posts	No. of filled positions	Vacancies	Period vacant	Vacancy rate	Budgeted for 2018/2019
MM's Office	33	30	3	1 year	9.1%	Yes
Infrastructure Planning & Development	63	52	11	1 year	17.5%	Yes
Budget and Treasury	43	38	5	1 year	11.6%	Yes
Community Services	144	119	25	1 year	17.4%	Yes
Corporate Services	49	45	4	1 year	8.2%	Yes
Spatial Planning and Economic Development	11	7	4	1 year	36.4%	Yes
TOTAL	343	291	52		15.2%	Yes

2.38.6.2. Records Management

ELM has a functional Records Management Unit located within the Corporate Services Department. The File Plan of the municipality has standards of record-keeping which are followed accordingly. The ELM's file plan has goals which are not limited to the following that are followed in the Registry office:

- ✓ To provide a systematic framework for the classification of all records in their active, semi-active and inactive stages;
- ✓ To assist registry staff in the orderly filling and retrieval of records;
- ✓ To ensure that records are retained and destroyed or preserved in accordance with legal and fiscal requirements, archival value and operational needs;
- ✓ To reduce the volume of records in the offices by providing guidelines on the retention and destruction of records.
- ✓ Transfer of records to the filling room.

2.38.6.3. Employment Equity Plan

ELM has adopted its five year employment equity plan and annually reviews it and approves the review before the start of each financial year. The reviewed equity plan shows the relationship between the current workforce

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profile and possible barriers in employment equity policies and procedures. Below is the gender breakdown of staff compliment of ELM per occupational level: The table below contains information on all employees, including people with disabilities:

Table 47: Employees including people with Disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Municipal Manager)	1	0	0	0	0	0	0	0	0	0	1
Senior management (Directors)	3	0	0	0	2	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	12	0	0	2	7	0	0	0	0	0	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	28	1	0	1	44	0	0	1	0	0	75
Semi-skilled and discretionary decision making	56	0	0	1	33	0	0	0	0	0	90
Unskilled and defined decision making	54	0	0	0	44	1	0	0	0	0	99
TOTAL PERMANENT	154	1	0	4	130	1	0	1	0	0	291
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	154	1	0	4	130	1	-	1	0	0	291

In its endeavors in meeting the employment equity target and employing more females, the ELM has not achieved its objectives as evidenced by the table above. Of the total workforce, total female employees constitute a total of 45.4%, a slight increase of 0.3% from 45, 1% of the female workforce in the last financial year and male employees constitute 54.6% and a slight decrease of 0.6% from 54, 9% it had in the last financial year .

2.38.6.4. Human Resources/ Skills Development

ELM annually develops its Workplace Skills Plan (WSP), linked to its Human Resources Development Plan, which sets out the training needs and plans for the financial year for both councillors and staff. Such plan is then submitted to the Employment Equity and Training Steering Committee for consultation and then to Council for approval. The Workplace Skills Plan (WSP) is also submitted to the LGSETA. The municipality also developed skills audit and competency profiling report to guide development of WSP for the coming years.

ELM will during the financial year 2018/19 develop a new Integrated Human Resources Development Strategy that will incorporate the Training, Recruitment, Retention Strategy, Talent Management, Succession Planning and Scarce Skills since the HRD Plan it developed has since expired in 2012. The scarce and critical skills that the

HR Plan intends to address are those of fields of finance, engineering, environmental management and town planning. ELM has rolled out ICT – End User Learnership for the unemployed youth of Elundini Local Municipality and thereafter they were enrolled to ICT Systems Administrator and ICT Technical Support and a number learners have benefited from this initiative.

2.38.6.5. *Job Evaluation*

ELM reviews its organizational structure annually as part of the IDP review process. Job profiling and job description process is conducted for all new positions and those that have been affected by the review process. Review of job descriptions for existing positions that are affected by the review of the organogram is also conducted. Job descriptions for all new positions and affected positions are subjected to a job evaluation process which is conducted through District Job Evaluation Committee and audited by the Provincial Audit Committee. ELM uses the Task system to evaluate positions as adopted SALGA.

2.38.6.6. *Occupational Health And Safety*

ELM is currently in the process of developing Occupational Health and Safety Management System that is intended to improve ELM's performance standards in terms of Health and Safety. The development of the system will be in line with ELM operations and activities and constantly reviewed to cater for any changes for improvement. ELM also has an Occupational Health and Safety structure in place called ELM Health & Safety Committee which seeks to improve ELM performance in terms of health and safety. The Health & Safety Committee is comprised of various representatives from different municipal departments.

2.38.6.7. *Employee Health And Wellbeing*

ELM is currently implementing its Employee Wellness Strategy that was adopted by council. There are numerous activities that employees are embarking on which include among others counselling, referrals for counselling, sports events; FUN walks, observation of National Health Calendar which is done in conjunction with the Department of Health and this is done to encourage and foster Inter Governmental Relations. The municipality has also resolved to give those employees who participate in sports afternoon off on Wednesdays from 15:30 to go and participate in their various sporting codes.

2.38.6.8. *Leave Management*

The Human Resources Department has revised its policy and procedures in order to address shortcomings that have been raised by the Auditor-General and have implemented various steps aimed at improving Leave Management. An electronic system is used to record all kinds of leaves that employees have taken. The system enables the manager responsible for the leave to approve it in the system and human resource is able to assess all filed leaves in the system.

2.38.6.9. *Labour Relations*

There is general labour peace in the institution in so far as labour related issues are concerned. Management is trying by all means to consult with labour on all matters of concern. The employer has developed an open door approach to consult with the trade unions even outside the legitimate structure created for consultation. The council calendar also include the monthly sitting of Local Labour Forum (LLF) so as to further enhance sound labour relations and compliance with the Organizational Rights Agreement. Councillors, management and employees adhere to the Code of Conduct for both Councillors and employees.

2.38.6.10. *Information Communication Technology And Support*

Information Communication Technology (ICT) division, located within the Corporate Service Department, is responsible for providing support services to its internal and external clients. ELM has gone through major renovation of its ICT section with the intention of enhancing Information and Communication Technologies services that are delivered to support its delivery objectives. ELM has thus developed and approved its Master Systems Plan (MSP) that will work as a guiding document to implement ICT projects and automate business processes. ELM has also developed the Disaster Recovery Plan (DRP) that will assist the municipality during disasters where ICT systems are affected so that systems can be restored quickly. ELM has also an ICT Governance Framework in place. With the sophistication of modern hardware, software and Internet services, paperless environments are growing in popularity. Going paperless is a greener option than using rims of paper and may cut down on overhead expenses. Gaps have been identified in the manner in which council agendas are being prepared and distributed to Council members:

- ✓ A large volume of paper rims was being utilized to prepare agendas which are costly to the Municipality and environment.
- ✓ Printing and binding of agendas was time consuming due to equipment malfunctions e.g. (Paper Jams/Print Errors) due to streamline printing and duplicating of documents.
- ✓ Large amount of toners/ink cartridges is being utilized
- ✓ Repairs on faulty printers' delays the preparation process due to high reliance on service provider to render required repair services as mass production printers are being leased within the municipality.
- ✓ Agendas have to be physically delivered to Council Members
- ✓ Agendas are inaccessible if forgotten or out office
- ✓ Too much physical space is being utilized and leads to untidiness and bulky filling

As ICT office research was conducted to establish a suitable application that could meet the municipality's needs, SharePoint was identified to be compatible to our specific requirements for a paperless environment, of which it has been deployed and introduced to counsellors and is currently being used for obtaining agendas

over the network using their mobile devices in order to eliminate bulk printing of agendas and also eliminate manual distribution of agendas.

After deployment and introduction of SharePoint a training session took place within the municipality at the main board room where councillors were familiarized and monitored on procedures that they should follow to download agendas to their mobile devices from SharePoint. ELM issued laptops and 3G cards to Elundini councillors so as to assist with connectivity in their respective wards. ICT further facilitated the development of a revamped ELM's website www.elundini.org.za that is user-friendly and can be accessed from any platform including smart phones. Also, ICT facilitated the development of electricity vending system that uses SASWITCH (bank ATM vending).

2.39. External Environmental Analysis

The municipality also analyzed both its external and external environment during its strategic planning session. Below is the summary of the analysis:

Table 48: Environmental Analysis

(a) POLITICAL FACTORS

OBSERVATIONS	
	<ul style="list-style-type: none"> ✓ Perceived lack political stability in the country manifested through instability in certain structures of government such as security cluster, SOEs etc. ✓ Corruption embedded within government poses serious reputational risks for the country. ✓ Politicization of the public service resulting to a divided focus and vision of different parties and allocation of resources. ✓ Unfair allocation of resources to small municipalities. ✓ Inadequate technical expertise and resources support resulting to slow service delivery. ✓ Inability to successfully collect debt due to the municipality from other public bodies. ✓ Insufficient budget allocation for public body offices at local level resulting ✓ Poor integrated planning between the municipality and public bodies ✓ IGR platform within Joe Gqabi District is not effective resulting on missed out opportunities to address service delivery challenges. ✓ Regular elections ensure legitimacy of difference spheres of government.

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OBSERVATIONS	
	<ul style="list-style-type: none"> ✓ Active participation of traditional leadership in the council ✓ All wards have ward committees ✓ Augmented community participation through village and township based interactions ✓ Establishment of ward war rooms for improved handling of service delivery issues
Opportunities	<ul style="list-style-type: none"> ✓ Diverse political party governance at different increase competition among political parties and benefits community. ✓ Changing political landscape resulting to improvement of service for service delivery for citizens. ✓ Political stability within the Joe Gqabi resulting to citizen loyalty for the ruling party. ✓ Public body offices increase accessibility at local level. ✓ Availability of resources within public bodies which may result to partnership and maximization of resources for service delivery. ✓ Existence of IGR platforms for engagement and sharing of information ✓ Factionalism at ward level (ward councilor and ward committees) compromises service delivery
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Service delivery is compromised by the threats
Preliminary options	<ul style="list-style-type: none"> ✓ Election and appointment of credible leaders who are moral, ethical, transparent and accountable ✓ Political intervention for IGR challenges need to be strengthened ✓ Develop alternatives strategies to increase revenue such as building of way-bridge. ✓ Planning processes between three spheres of government need to be re-looked at and improved for better service delivery. ✓ National government should develop clear guidelines for traditional leaders and councilors roles ✓ Introduce electronic election processes to promote social cohesion and eliminate factionalism ✓ Institutional and Social Development enhancement and integration

(b) ECONOMIC FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Poverty intensity of the municipality increased from 41% to 44%

	<ul style="list-style-type: none"> ✓ Dependency rate on social grant is 75% ✓ Household size increased from 3,6 to 4 people ✓ High unemployment rate 44% ✓ Reduced contribution of the primary sector to the local economy (agriculture and forestry) ✓ All other sectors increased and yet the primary sector decreased ✓ Increase in informal business owned by foreign nationals who do not contribute to the fiscus by taking the money out of the local economy ✓ Low levels of skills and education increases dependency ✓ High inflation (affects purchasing power and input prices) ✓ Located inland (high cost of doing business) ✓ National treasury allocations are declining in real terms ✓ Dual use of properties by foreign nationals (residence and business)
Opportunities	<ul style="list-style-type: none"> ✓ Tertiary sector (retail and financial services) ✓ Secondary sector (construction and manufacturing) ✓ National policies which encourage primary sector productivity (IPAP) ✓ Untapped sectors which can be tested (energy and mining and quarry) ✓ Natural resources (arable agricultural land) ✓ Property development (serves as an infrastructure for commercial enterprises) ✓ Tourism (getting into partnerships with land owners like the dinosaur footprint & Tsitsa fall, land suitable for adventure tourism)
Implications for the Municipality	<ul style="list-style-type: none"> ✓ The municipality has to serve more people with less money ✓ Social instability (protests, increase in crime, etc.) ✓ Migration of young people with skills ✓ Unattractive to investors due to the high cost of business ✓ Arable land being used for residential purposes
Preliminary options	<ul style="list-style-type: none"> ✓ Public private partnerships (initiation and management secondary and secondary) ✓ Development of local skills (technical and business knowledge) ✓ Development of inner city (economic infrastructure) ✓ Cost containment (doing more with less) ✓ Research skill for continuous economic update (provide economic ✓ Information to potential investors) ✓ More focus on economic development from the municipality and an increased budget allocation to local economic development

	<ul style="list-style-type: none"> ✓ Strategies should take care of growing the survivalists, micro, small medium and large ✓ Full utilization of our natural resources (municipal land)
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(c) SOCIAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Inaccessibility to higher education, skills development centre ✓ Performance and facilities in the basic education, ECDs ✓ Skilled early childhood practitioners ✓ High crime rate ✓ Lack police visibility ✓ Drug abuse particularly among the youth ✓ High unemployment rate ✓ Poor and inaccessible primary health care ✓ Residing shops ✓ Chronic disease ✓ Dependency on social grants ✓ Child headed households ✓ Diversified cultures resulting in lack of promotion of a single belief system
Opportunities	<ul style="list-style-type: none"> ✓ Funding for infrastructure development to schools ✓ NSFAS and Government for education ✓ TVET College is available in Mt. Fletcher ✓ Arable land ✓ Anti-poverty policies government policies ✓ Active youth participation in sports ✓ Diversified cultures promote tourism
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Increase in indigents ✓ Improved literacy rate ✓ Disinvestment as a results of a stagnant economy ✓ High crime levels areas to classification as a high insurance risk lead to higher premiums ✓ Poor state of health/ well being ✓ Unskilled labour, low skill levels literacy ✓ Poor and inaccessible primary health care ✓ Unhygienic and fermenting environment in shops

Preliminary options	<ul style="list-style-type: none"> ✓ Increase budget to fund indigents ✓ Allocate more resources of skills development ✓ Partnerships with skills providers ✓ More police visibility and awareness ✓ Support social and recreational opportunities ✓ Skills development centres ✓ Career information centre ✓ Upgrade and maintain access roads to primary health centre ✓ Implementation of bylaws on the health inspectors and law enforcement
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(d) TECHNOLOGICAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Because of the rural nature of our municipality, there is limited space for innovation. ✓ Broadband penetration is low. ✓ Impact of social media ✓ Reputational risks as people can spread perception ✓ Unfair and uniformed insults intended for public representatives ✓ Telecommunication infrastructure is limited. ✓ Electricity theft (Izinyoka)
Opportunities	<ul style="list-style-type: none"> ✓ Great and cheaper communication tool for service delivery to the community. ✓ The Elundini population is becoming younger, with 42% of the population younger 35 years.
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Need to advocate for the mainstream ICT infrastructure through IGR. ✓ Leverage on existing infrastructure to increase access to internet.
Preliminary options	<ul style="list-style-type: none"> ✓ Establish the Twitter and Facebook pages.

(e) ECOLOGICAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Climate Change/ Global Warming - Extreme Weathers (very hot, very cold)– RSA, District, and Elundini ✓ Extinction Of Species, E.G Vulture & other birds, animals and certain vegetation ✓ Deterioration Of Ecosystems And Wetlands (due to over Fishing, Hunting, New Developments)

	<ul style="list-style-type: none"> ✓ Environmental Pollution (Air, Water, Soil, Noise) ✓ Landfill Sites (running out of Space, houses within the buffer zone, dumping of unacceptable materials) ✓ Natural Disasters (Dongas, Floods, Storms, Veld Fires, Gust Winds) ✓ Use Of Fossil Fuels (wood burning, fire) ✓ Environmental Health Issues (Communicable Diseases)- waterborne and airborne diseases ✓ Land Invasion & Lack Of Land Use Management – Building in Cemeteries, Wetlands, Landfill Sites and Flood Plains.
Opportunities	<ul style="list-style-type: none"> ✓ Precipitation Harvesting – Rain water tanks, Snow melting , Mist And Mountains (as water sources) ✓ Ground Water (extraction of water) ✓ Legislation – Protected Areas, Conservation, 1996 Constitution section 24. NEMA 1998 ✓ Technology – use of Solar Panels, Sensors, Alternative Energy Sources ✓ Support From National and Provincial Environmental Affairs ✓ Education And Awareness Programs ✓ Recycling initiatives ✓ Land Use Management Planning extended to rural areas.
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Waters Scarcity And Droughts ✓ Effects on Eco-Tourism (Bird Watching, Fly Fishing, Tsitsa Falls) – Tourists from overseas will no longer come ✓ Disasters / Ecosystems – threat to Food Security – increase on Dependence on Social Grants/ Indigents ✓ Disasters - Loss Of Life, Loss Of Productivity (working hours), Disruption To Service Delivery and its Implications ✓ Socio-Economics - Health Implications, Investment Issues, Economic Issues, Migrations To Better & Safer ✓ Environmental Deterioration – poor produce, browner pasture, invasive alien species
Preliminary options	<ul style="list-style-type: none"> ✓ Paperless Administration + Recycled Papers, ICT ✓ Energy Efficient Operations / Alternative Energy (Switching off Lights & Heaters, use of Led, sensors) ✓ Education And Awareness Campaigns – Environment, Energy Use & Disasters ✓ Effective Solid Waste Management, Implement New Technologies, allocate financial resources

	<ul style="list-style-type: none"> ✓ Establishment of Full Fire Services and Disaster Management ✓ Development of Climate Change Strategies, Environmental Management Plans, Energy Efficiency Strategies
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(f) LEGAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Over regulated environment when it comes to remuneration of section 56/7 managers, making it difficult for the municipality to attract and retain competent senior managers. ✓ Conditions of Services for municipal staff are decided at a Central and Divisional Bargaining council levels , especially the salaries and other benefits, as such municipalities are obliged to implement which affects the attraction & retention of staff. ✓ Strikes, picketing and protests due to salary and wage negotiations / service delivery. ✓ Regulations leading to confusion (SCM) regulations and central database, PPPFA. ✓ Disjuncture between regulations, legislation and practices especially in the SCM field (SARS tax clearance, etc.). ✓ No synergy between national, provincial and local government in terms of submissions of WSPs, ATRs and budgets. ✓ The manner in which legislation is written makes it difficult for smaller municipalities to comply, leading to law enforcement unit not legally constituted thereby exposing the municipality to possible litigations. ✓ Misalignment of powers and functions exposing the municipality into unnecessary protest and possible litigations. ✓ Land invasions especially in the Mt. Fletcher area due to a slow process of formalization of residential areas that has been promised. ✓ Noncompliance by other sister departments exposes the municipality to litigation and protest actions (Formalization of sites in Mt. Fletcher and Maclear).
Opportunities	<ul style="list-style-type: none"> ✓ There are functional IGR structures in place to address the issues (DIMAFO; MUNIMEC etc...). ✓ SALGA and COGTA to raise issues on behalf of the member municipalities. ✓ LRA (lockouts, no –work –no pay)

Implications for the municipality.	<ul style="list-style-type: none"> ✓ Delays and disjuncture in terms of service delivery; ✓ There may be possible service delivery protests and interruptions. ✓ Unnecessary litigations; and or disputes ✓ Lack of trust from the communities. ✓ Inability to attract and retain competent staff. ✓ Increased informal / illegal dwellings with limited / services that are unaccounted for.
Preliminary options	<ul style="list-style-type: none"> ✓ There is a need to harmonize all of the by –laws, regulations and legislations. ✓ There is a need to closely monitor the IGR performance. ✓ More interactions with SALGA so that they can have better understanding of their plight during the negotiations at SALGBC.

2.40. Organizational Analysis

Organizational Strengths & Weakness

In order to respond effectively to the challenges in which we operate, as prescribed by our legislative and constitutional mandate. We have note the following strengths which we intend to use to achieve our goals. We have also noted weaknesses which we intend to convert into strengths through effective management.

Table 49: SWOT Analysis

KPA	STRENGTHS	WEAKNESSES
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> ✓ Functional Council supported by committees ✓ Functional Audit Committee ✓ Traditional Leaders are participation in council ✓ Established and functional ward committees ✓ Established war-rooms ✓ CDWs in all wards ✓ Community Participation Liaison Workers in all villages ✓ Unqualified audit report ✓ Mayor's conversations properly coordinated 	<ul style="list-style-type: none"> ✓ Lack of customer care system ✓ Lack of proper system to disseminate information emanating from ward committees ✓ Archaic public participation methods ✓ Failure to review strategies (Risk Management Strategy, Communication, Customer Care, Youth Center, Public Participation etc.) ✓ Lack of Accountability (PMS) ✓ Poor implementation of service charter. ✓ Poor management of political processes resulting in delay in the

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KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Creative and innovative projects (Khaba ka difaha, kairos moment, MSI etc.) ✓ SPU strategic plans (Sports Development plan, HIV and AIDs multi-sectorial response plan, Women Development plan etc. 	<ul style="list-style-type: none"> establishment of ward committees in some wards
FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> ✓ Policies and Procedures and By-Laws are in place ✓ All senior Levels position are filled. ✓ Maintained effective systems of internal control ✓ Continuous improvement in audit outcomes ✓ Maintained an improved grant utilization mechanism. ✓ Accumulated adequate cash reserves to curb immediate financial interventions. ✓ Procurement Strategy that has led to reduce delays in infrastructure acquisition ✓ Grossly reduced consultant dependency on external service providers ✓ Achieved improved debt collections mechanisms. 	<ul style="list-style-type: none"> ✓ Inability to enforce directorate to make supply chain submissions ✓ There are constant compliance changes resulting in reduced short term procurement life cycle ✓ Inefficient debt collection strategies. ✓ Weakness in formulating adequate Specifications. ✓ Ineffective mechanisms in convening Bid Committees. ✓ Poor contract and project management. ✓ Ineffective people management skills. ✓ Lack of proactive asset management mechanism (need identification, timely disposal, maintenance) ✓ Lack of continuous review of organizational structure.
SERVICE DELIVERY AND INFRASTRUCTURE	<ul style="list-style-type: none"> ✓ Capacity to Plan and develop strategies ✓ Integrated Waste Management Plan ✓ 3 Year Capital Plan ✓ Human Resource Capacity – Qualified personnel 	<ul style="list-style-type: none"> ✓ Lack of Customer Satisfaction Surveys ✓ Poor Contract Management and poor project management. ✓ Lack of By-law enforcement ✓ Over reliance on overtime.

KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Availability of Budget for Infrastructure for Roads Construction ✓ Availability of Plant and Equipment for ✓ Construction and refuse Collection. ✓ Construction Procurement Strategy in place to address the support of local contractors ✓ Compliance with Landfill Site Permit Conditions ✓ Provincial Recognition - Greenest Municipality Awards 	<ul style="list-style-type: none"> ✓ Over reliance on Mass Jobs and Casual Employees. ✓ Reliance on external service providers. ✓ Lack of Infrastructure Asset Management Strategy ✓ (From Procurement, use, maintenance and disposal). ✓ Dependence on MIG Funding with No Internal funding for Infrastructure. ✓ Lack of Supervision of general staff by their supervisors, Managers and HODs ✓ Under recovery on cost of services rendered (waste and electricity)
INSTITUTIONAL TRANSFORMATION AND MANAGEMENT	<ul style="list-style-type: none"> ✓ Trade unions are recognized by the institution. ✓ Recruitment & selection is internally focused thus giving promotional opportunities. ✓ Most of the grievances are settled internally before turning into disputes. ✓ Sound ICT infrastructure in place. ✓ Information sharing sessions are held quarterly. ✓ There is an employee wellness office in place. ✓ Job security and institutional memory guaranteed to all employees other than section 56/7 managers. 	<ul style="list-style-type: none"> ✓ No proper implementation of performance management systems. ✓ LLF meetings tends not to quorate ✓ Labour turn over on critical positions, where we cannot get suitably qualified person internally. ✓ Most of the policies are obsolete and require reviews / development. ✓ Implementation of most of the policies and strategies remains a challenge. ✓ Some of the policies are replaced by collective agreements as such they are not implementable. ✓ Job hopping as a result of internal recruitment. People to at least complete probationary period prior to applying for another post. ✓ There is a capacity (under staffing and lack of competent staff) challenge within the ICT section.

KPA	STRENGTHS	WEAKNESSES
		<ul style="list-style-type: none"> ✓ Lack of proper systems and processes. ✓ Lack of monitoring and evaluation of policies, systems and processes. ✓ Training and development of staff is a challenge. ✓ No proper occupational health and safety systems in place. ✓ Staff retention is a challenge. ✓ Wellness programs exclude councillors & traditional leaders. ✓ Under staffing especially in service delivery departments. ✓ Delays in filling of critical vacancies.
DEVELOPMENT PLANNING AND LOCAL ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> ✓ Institutional knowledge on economic development needs ✓ Agricultural development plan (in place) ✓ Mount Fletcher economic feasibility study ✓ Business enabling environmental study ✓ Permits and licenses plan ✓ Local business development support institutions (CDC & craft centre) ✓ Industrial development plan(furniture and other natural resources) ✓ Municipal property development plan ✓ Effective partnerships are in place ✓ Procurement strategy allows for 25% benefit for SMMEs ✓ By-laws - SPLUMA ✓ Processes in place for applications ✓ Policies (property rates) ✓ Draft precinct plans (for three town) 	<ul style="list-style-type: none"> ✓ LED strategy needs to be reviewed ✓ Tourism strategy need to be reviewed ✓ Policy to regulate informal trading ✓ Lack of resources to implement plan ✓ Lack of Research skills ✓ Budget constraints ✓ Non-functioning Maclear Open Market (separation of duties) ✓ Forestry development partnership eastern side and no initiative on the western side ✓ Office space ✓ Tourism information centre not fully utilized ✓ SPLUMA aligned town planning scheme ✓ GIS (data not upgraded) ✓ Budget constraints ✓ Revision of SDF

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KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Land audit – land inventory ✓ Functional PMS (section 56/7) ✓ PMS policy in place ✓ 5-year IDP 	<ul style="list-style-type: none"> ✓ Physical protection of land (enforcement) ✓ Lack of regulation to force improvements on property ✓ Revision of outdoor advertising by-law and policy. ✓ Inadequate office space ✓ Lack of long term vision of the municipality (e.g. Elundini 2050) ✓ Lack of Ward based plans ✓ No effective engagement with stakeholders – IDP forum ✓ Monitoring and evaluation framework ✓ Specialist on monitoring and evaluation ✓ PMS below 56 is not well functioning

3. SECTION C: VISION AND MISSION

The Mission and Vision Statements and Values of the Municipality were confirmed as valid and were not changed.

3.1. Vision Statement

“A leading rural municipality that delivers a better quality of life for all citizens - a municipality that is phenomenally viable, highly successful and passionately people-centered.”

3.2. Mission Statement

Our mission is to operate a rural municipality that:

- *delivers excellent services to its people who remain its priority in everything that it does,*
- *is financially viable,*
- *has good governance in place,*
- *is transformed and developmental,*
- *is clean, green and sustainable*

3.3. Values

Table 50: Values

Team Work:	We work together as a team, each playing their role to achieve common goals.
Commitment:	We are dedicated to achieving municipal objectives.
Trustworthiness:	We are honest & reliable.
Transparency:	We promote openness and accessibility to information
Ethical Conduct:	We subscribe to high morals and principles to promote and maintain integrity of the Municipality
Professionalism:	We utilise our skills and knowledge with due care and integrity.
Accountability:	We take responsibility for our actions and decisions.
Respect:	We treat all people with dignity and courtesy

4. SECTION D: GOALS, STRATEGIC OBJECTIVES, KEY PERFORMANCE AREAS AND PERFORMANCE INDICATORS

The Council and Administration of ELM have, in its strategic planning session held in February 2018, recommitted themselves to working towards the realization of the following three (3) strategic goals which have been aligned to the Vision, Mission and Key Performance Areas of the Municipality:

- **Goal One:** Accelerate service delivery and infrastructure development;
- **Goal Two:** Promote economic growth, environmental sustainability and creation of decent jobs;
- **Goal Three:** To improve the effectiveness of governance administrative and financial systems

4.1. Strategic Goals and Objectives

There was a consensus among participants that there were too many objectives in the current strategy, and some of them were over-lapping or purely activities. Discussions lead to the following reconfiguration of Strategic Goals and Objectivities.

Table 51: Strategic Goals and Objectives

Strategic Goals	Strategic Objectives
Goal 1: Accelerate service delivery and infrastructure development.	1.1. Efficient construction, rehabilitation and maintenance of municipal infrastructure
	1.2. Promote environmental health and safety of local communities
	1.3. Increase quantum of households receiving free basic services
Goal 2: Promote Sustainable economic growth and creation of decent jobs.	2.1. Increase mining, agricultural, forestry and tourism products and services
	2.2. Support the development of SMME to participate in a diversified and growing economy.
	2.3. To increase investment through land and socio-economic infrastructure development.
	2.4. Promote creation of employment opportunities and decent jobs
	3.1. Strengthen integrated planning, monitoring and evaluation of municipal programs.

Goal 3: Improve the effectiveness of governance, administrative and financial systems.	3.2.Enhance organisational performance and management of municipal resources
	3.3.Improve public participation and oversight to enhance accountability

4.2. Alignment of National Outcomes

ELM supports the National Development Plan and the Eastern Cape Provincial Development Plan. Our Strategic Plan will contribute to the realization of the outcomes articulated for South Africa and Eastern Cape respectively:

National Outcomes		How Elundini will contribute to these outcomes
1	Decent employment through inclusive growth	<ul style="list-style-type: none"> • Increase agricultural, forestry and tourism products and services by 2021 • Support the development of SMME to participate in a diversified and growing economy. • Effective implementation of the Procurement Strategy
2	Skilled and capable workforce to support an inclusive growth path	<ul style="list-style-type: none"> • Support the development of SMME to participate in a diversified and growing economy.
3	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> • Efficient construction, rehabilitation and maintenance of municipal infrastructure • Build new and rehabilitate existing child care facilities to promote early childhood development by 2021. • To increase investment through property and economic infrastructure development. • Increase productive use of land • Efficient allocation of financial resources in line with IDP and Budget. • Increase quantum of households receiving free basic services
4	Vibrant, equitable and sustainable rural communities with food security	<ul style="list-style-type: none"> • Rural job creation linked to skills development and promoting economic livelihood
5	Sustainable human settlements and improve quality of household life	<ul style="list-style-type: none"> • Improve public safety and security

6	Responsive accountable, effective and efficient local government	<ul style="list-style-type: none"> • Improve contract management and project monitoring systems. • Improve efficiencies in management of financial resources • Optimize the participation of communities in the affairs of the Municipality. • Strengthen integrated planning, monitoring and evaluation of municipal programs
7	Protect and enhance our environment assets and natural resources	<ul style="list-style-type: none"> • Provide a safe and healthy environment

4.3. The Five Year Implementation Plan

Strategic objectives and KPI meant to track progress in addressing priority issues and realizing the goals across, and within, each of the KPA over the next five years are outlined below. This information is specifically informed by existing Local, District, Provincial, and National priorities. Some of the indicators included are taken directly from the Local Government Performance Management Regulations, Schedule to the Municipal Systems Act. This information will also be included in individual performance plans thus ensuring an integrated performance management system which fosters accountability and responsiveness.

4.4. IDP FIVE YEAR PLAN – 2018 TO 2023

Table 52: Five Year IDP Project Priorities

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
1. Efficient construction, rehabilitation and maintenance of municipal infrastructure	<ul style="list-style-type: none"> • Electrification of households and provision of public lighting • Construction, Upgrading and Maintenance of Electrical network • Planning of Roads Infrastructure • Design of Roads Infrastructure • Procurement of Service Provider for construction of roads • Construction and Maintenance of Roads Infrastructure • Planning of Public Amenities • Design of Public Amenities • Procurement of Service Provider for construction of Public Amenities • Determine locations of child care facilities. • Develop business plan. • Intergrade it with a 3 year plan MIG capital PCM. 	1.1.1. Number of households in electrification program connected	R 18 500 000	4646	507	1000	839	1 160	1 140
		1.1.2. Number of km for Link Line constructed	R 2 500 000	30	22	10	-	-	-
		1.1.3. Number of Street lights Installed in Maclear	R 1 082 500	400	70	50	100	50	80
		1.1.4. Number High Mast Lights installed	R 1 937 230	15	0	3	4	4	4
		1.1.5. % of street lights maintained	R 2 000 000	100%	100%	100%	100%	100%	100%
		1.1.6. % high mast lights maintained		100%	100%	100%	100%	100%	100%
		1.1.7. Number of Smart meters installed	R 4 000 000	1200	0	300	500	200	200
		1.1.8. Number of transformers in electrical network refurbished	R 1 138 827	10	2	2	2	2	2
		1.1.9. KMs of electrical network maintained	R 4 000 000	124km	28,4km	28,4km	28,4km	28,4km	28,4km
		1.1.10. Kms of paved roads constructed	R 12 984 707	40.18	7.8	9.6	3.68	9.55	9.55

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Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
	<ul style="list-style-type: none"> Procure service provider/determine implementation modality. 	1.1.11. KMs of unpaved access roads constructed	R 8 610 589	70.92	10.57	18.7	20	10.74	10.91
		1.1.12. Number of public amenities constructed	R 11 827 602	9	1	4	2	1	1
		1.1.13. KMs of DR roads maintained under SLA	R 6 000 000	1100	220km	220km	220km	220km	220
		1.1.14. KMs of access roads maintained under SLA		1000	200	200	200	200	200
		1.1.15. Number of public amenities maintained	R 3 950 000	16	0	4	4	4	4
		1.1.16. Number of bridges rehabilitated	R 6 100 000	20	4	4	4	4	4
2. Increase quantum of households receiving free basic services	<ul style="list-style-type: none"> Review and update municipal indigent register Encourage qualifying beneficiaries to register on the municipal Indigent Register 	2.1.1. The number of indigent households with access to free basic services	R 6 289 427	12500	10500	11000	11500	12000	12500
3. Efficient construction, rehabilitation and maintenance of municipal infrastructure	<ul style="list-style-type: none"> 	3.1.1. Number of child care facilities built/rehabilitated (rollover 2018/19)	R 750 000	4	1	0	1	1	1
4. To promote environmental health	<ul style="list-style-type: none"> 	4.1.1 Percentage of reported fire	R 0	100%	100%	100%	100%	100%	100%

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Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
and safety of local communities		incidents responded to							
4. Improve public safety and security	<ul style="list-style-type: none"> Construction and Maintenance of Public Amenities Conduct Road blocks Enforcement of By-laws Erection and Replacement of Road Signs, Road marking and calming measures Fire Responses and prevention measures 	4.1.2. Number of inspections relating to fire safety	R100 000	80	20	20	20	20	-
		4.1.3. Number of Health, Safety and security related interventions implemented	R40 000	10	2	2	2	2	2
5. Provide a safe and healthy environment	<ul style="list-style-type: none"> Refuse collection, street cleaning, litter picking and cleansing. Public Awareness and Education on environmental management Environmental Conservation Programs conducted 	5.1.2. Number of households and commercial properties with access to refuse collection services	R600 000	11 000	7558	7630	7800	7800	7800
		5.1.3. Number of entries to Greenest Municipality Competition	R15 000	5	1	1	1	1	1
		5.1.4. Number of land fill sites audits conducted	R450 000	5	1	1	1	1	1
• To increase investment through property and economic infrastructure development	• Development of municipal & other government owned land including maximizing the existing assets (include a	5.1.5. Number of property development projects successfully concluded	R15m	8	3	2	2	1	-
		5.1.6. Rand value of property		R450m	R 95m	R144m	R123m	R87m	

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Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (19/20)	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2022/23
	commercial element in multi-purpose centres) • Facilitate the establishment of government services • Facilitate the improvement and densification of private owned land • Asset (land & other economic infrastructure) management plan • Sign Public Private Partnership agreements • Workshops with various stakeholders • Conduct various research, studies and analysis	development attracted							
		5.1.7. Rand value of capital budget for small town development		R130m	R29.5m	R39m	R34m		
		5.1.8. Number of construction jobs work opportunities created (artisans, electricians)		800	250	300	250		
		5.1.9. Number of permanent jobs created		260	50	60	70		
5.2. Increase quantum of households receiving free basic services	• Conducting of awareness sessions to educate households • Identification and registration of qualifying households	5.2.2. Number of households receiving free basic services	R6.5m	10000	10 000	9600	9800		

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GOAL 2: PROMOTE ECONOMIC GROWTH, ENVIRONMENTAL SUSTAINABILITY AND DECENT JOBS

Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
2.1. Increase agricultural, forestry and tourism products and services by 2021	<ul style="list-style-type: none"> Facilitate sector based enterprise development Marketing the Elundini area to investors and tourists Facilitate PPPs Host an Investment Summit Review the LED strategy Develop a Rural Development Strategy for Elundini. Commission Feasibility Studies for Industry based enterprises 	2.1.1. Number of jobs created from agriculture	R5m	15 000	2000	7000	12000		
		2.1.2. Number of tourism initiatives supported		14	2	3	3		
		2.1.3. Number of jobs created from forestry		26	26	26	26		
		2.1.4. Number of rural industry development projects implemented		3	0	1	1		
		2.1.5. Number of new direct investors attracted		8	3	2	2		
		2.1.6. Number of new indirect investors attracted indirectly through enabling environment		4	1	1	1		
2.2. Support the development of SMME to participate in a	<ul style="list-style-type: none"> Develop and implement a support program to provide entrepreneurial skills 	2.2.1. Number of SMMEs receiving development support from the municipality	R5m	450	100	150	200		

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Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
diversified and growing economy	<ul style="list-style-type: none"> Establish business networks and provide support Form partnerships with ECDC, SEDA and other agencies to support incubation hub within the area. Develop the knowledge base to enhance the Knowledge economy and support skills aligned to economic growth 	2.2.2. % of SMMEs supported with 10 percent increase in turnover		30%	20%	25%	30%		
		2.2.3. % of infrastructure budget spent through local SMMEs		25%	25%	30%	25%		
	<ul style="list-style-type: none"> Develop and submit business plans for EPWP (Mass Job Creation & Capital Projects, etc.) 	2.2.4. Number of EPWP work opportunities created (FTE)	17/18–R2.6 m 18/19 – R 19/20 – R	668	128	156	156		
		2.2.5. Number of Recycling Initiatives supported		11	3	4	4		
		2.2.6. Number of energy efficiency programs initiated		9	2	3	4		
	<ul style="list-style-type: none"> To lobby partnership (FET College) on youth development. Develop and implement a model for the operationalization of Elundini Youth Centre situated in Mount Fletcher. To undertake career exhibitions. Provide support to focus groups on planning, sourcing 	2.2.7. Number of young people (17-35 years) subjected to critical skills development programs	RO	250	50	50	50		
		2.2.8. Number of bursaries awarded		25	5	5	5		
		2.2.9. % of focus groups benefiting from the procurement strategy		15%	15%	15%	15%		

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Strategic Goal 2:		Promote economic growth, environmental sustainability and creation of decent jobs							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	of funding and business operations.								
2.3. Effective implementation of the Procurement Strategy	<ul style="list-style-type: none"> Identify and register local SMME on incubation database 	2.3.1. % of infrastructure budget spent through local SMMEs	R0	25%	25%	25%	25%		
2.4. Increase productive use of land	<ul style="list-style-type: none"> Conduct land audit Develop partnerships on communal and private land areas Review the SDF Develop land use policy Conduct Research and Studies Training & workshops Engage National Department of Public Works, BG Bison and other landowners for cemeteries and human settlement 	2.4.1. Hectares of private land available for agricultural activities	R50m	15 000ha	2000ha	7000ha	12000ha		
		2.4.2. Hectares of land zoned for commercial/industrial development		15 ha	15 hectares	5 hectares	5Hectares		
		2.4.3. Hectares of land zoned for housing development		15 ha	8 hectares	5 hectares	5Hectares		
		2.4.4. Number of phases undertaken towards the development of LUS & SDF	R 580 000	New	4	4	-	-	-
		2.4.5. Number of activities undertaken towards RAFI Investment initiative	R 500 000	New	3	3	-	-	-

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GOAL 3: TO IMPROVE THE EFFECTIVENESS OF GOVERNANCE, ADMINISTRATIVE AND FINANCIAL SYSTEMS

Strategic Goal 3	To improve the effectiveness of governance, administrative and financial systems								
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
3.1. Improve contract management and project monitoring systems.	<ul style="list-style-type: none"> Identification and procurement of suitable contract management and project monitoring system. Submission of Reports to standing committees and council Standardisation of Tender Documents and Contracts 	3.1.1. % reduction in contract queries		50%	25%	35%	45%	50%	55%
		3.1.2. % contracts completed with quality timeframe and costs		90%	90%	90%	90%	90%	90%
		3.1.3. % adherence to the compliance framework		100%	100%	100%	100%	100%	100%
3.2. Improve efficiencies in management of financial resources	<ul style="list-style-type: none"> Update and continuous review of policies and procedures Timeous Compilation of compliant reports Prevention and execution of consequence management on unauthorised, irregular, fruitless & wasteful expenditure. Updated GRAP compliant FAR 	3.4.2. Liquidity Ratios	RO	1:5:1	1:5:1	1:5:1	1:5:1	1:5:1	1:5:1
		3.4.2. Cost Coverage Ratio		1 month	1 month	1 month	1 month	1 month	1 month
		3.4.2. Net Debtor's Day		200 days	200 days	200 days	200 days	200 days	200 days
		3.4.2. Capital vs Total Expenditure Ratio		10%	10%	10%	10%	10%	10%
		3.4.2. Collection Rate		95%	95%	95%	95%	90%	90%
		3.4.2. PPE Ratio		3%	3%	3%	3%	3%	3%
		3.4.2. Number of asset verifications conducted		10	2	2	2	2	2
	<ul style="list-style-type: none"> Provide quarterly reports to MPAC on irregular, fruitless, unauthorised expenditure 	3.4.2. % increase in revenue generated from rates and taxes	RO	27.6% (compound ed)	5%	5%	5%	5%	5%

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Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Conducted feasibility study report to determine cost effectiveness of tariffs Reduction of electricity distribution losses to 15% Identify and recruit Revenue Protection Officer (Electricity) Conduct Feasibility studies 								
3.3. Continuous monitoring of capital spending	<ul style="list-style-type: none"> Contract Management Monitoring Development of Demand Management Plan Produce Section 71 Reports Develop Bid Evaluation schedule Develop a Bid Adjudication schedule 	3.4.2. % variance on capital expenditure	RO	+5%	+5%	+5%	+5%	+5	+5
3.4. Improvement of ICT efficiency in order to support municipal objectives.	<ul style="list-style-type: none"> Develop an off - site ICT disaster recovery site. Review and implement ICT risk register. Implementation of encryption tools. To provide efficient ICT support to the institution and every ward (by 2021). Implement ICT disaster recovery plan. 	3.4.2. Number of municipal facilities with access to ICT services	R1.5m	14	4	4	4	2	-
		3.4.3. % Network Uptime		(60%)	95%	95%	95%	95%	95%
		3.4.4. % of system with latest antivirus or anti spyware signatures		95%	95%	95%	95%	95%	95%
		3.4.5. % of remote backups per month		100%	100%	100%	100%	100%	100%
3.5. Improvement of security system to all administrative Units and facilities.	<ul style="list-style-type: none"> Develop Security Master Plan. Improve physical access controls. 	3.6.1. % decrease in lost assets	R1.5m	75%	50%	60%	75%	90%	100%

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Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Install visual monitoring systems by 2021. % improvement of security systems. Improve safety and security of municipal employees and assets. 	3.6.2. % reduction in security related incidents.		80%	50%	70%	80%	90%	100%
3.6. Enhance organisational performance in order to achieve organisational objectives.	<ul style="list-style-type: none"> Review organogram Develop an Organisation Development Strategy; Develop recruitment plans. Develop standard operation procedures. Review HR related policies. Review Human Resources Management Plan 	3.6.3. Turnaround times in responding to queries in days	RO	10 Working Days	14 Working Days	12 Working Days	10 Working Days	7 Working Days	5 Working Days
		3.6.4. Improve turnaround time in filling of vacant budgeted positions in days		70 Days	90 Days	80 Days	70 Days	60 Days	60 Days
		3.6.5. Improve turnaround time in resolving disputes in days		10 Days	20 Days	15 Days	10 Days	10 Days	10 Days
	<ul style="list-style-type: none"> Review of Human Resources Development Strategy. Annual development and implementation of WSP. Number of performance agreements concluded and assessed. Performance Management Systems cascaded to all levels 	3.6.6. Number of employees on performance agreements subjected to performance assessments.	RO	259	30	30	259	259	259
		3.6.7. Number of employees trained		259	150	200	259	280	280
		3.6.8. Number of Councillors/Traditional Leaders trained		41	41	41	41	41	41
	<ul style="list-style-type: none"> Review Employee Wellness Strategy 	3.6.9. % Reduction in OHS incidents		50%	20%	20%	40%	40%	40%
		3.6.10. % reduction in the rate of		20%	20%	20%	20%	20%	20%

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Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Develop OHS Management systems Review OHS Risk register. 	absenteeism due to occupational ill-health							
3.7. Promote good governance by providing efficient administrative support to councillors, traditional leaders and council	<ul style="list-style-type: none"> Develop standard operation procedures. Development of schedule of resolutions. Implementation of GG on council support. 	3.7.1. Number of committee meetings held	R0	50	10	10	10	10	10
		3.7.2. Number of council meetings held		20	4	4	4	4	4
		3.7.3. % of council resolutions implemented		100%	100%	100%	100%	100%	100%
3.8. Optimize the participation of communities in the affairs of the Municipality.	<ul style="list-style-type: none"> Establish functional ward committees. Establish functional war rooms. Convene village based interactions with communities. Explore and implement modern technologies to enhance community participation. 	3.8.1. Number of wards with functional committees	R10m	17	17	17	17	17	17
		3.8.2. Score in the community satisfaction survey (Index of 1-5)		2	-	-	1	-	-
		3.8.3. Number of IT-based public participation methods used		3	3	-	-	-	-
3.9. Strengthen integrated planning, monitoring and evaluation of municipal programs	<ul style="list-style-type: none"> Develop the institutional strategy Develop the SDBIP Review the strategy and the SDBIP Establish high level negotiation platforms with relevant departments to improve service delivery Organise Mayor's engagement sessions with key stakeholders. 	3.9.1. % of targets met on the municipal scorecard	R500 000	95%	80%	85%	90%	95%	100%
		3.9.2. % participation of sector departments in IDP processes		100%	100%	100%	100%	100%	100%
		3.9.3. Rating score on the COGTA IDP standard		High	High	High	High	High	High
		3.9.4. Number of ward based plans development		17	8	9	17	17	17

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Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> To develop Monitoring and evaluation framework for the institutional strategy Develop a Municipal Scorecard Conduct Municipal Performance Reviews 	3.9.5. Number of performance reviews conducted		10	2	2	2	2	2
		3.9.6. % of municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan, including MIG, INEP and OTP grant	R 80 million	100%	100%	100%	100%	100%	100%
		3.9.7. % of allocated budget for WSP spent	R 1 900 000	95%	95%	95%	95%	95%	95%
		3.9.8. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	R 12 056 357	5	5	-	-	-	-

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Strategic Goal 3		To improve the effectiveness of governance, administrative and financial systems							
Strategic objectives	Activities	Indicators	Indicative Budget	TARGET					
				5 Year Target	2018/19	2019/20	2020/21	2021/22	2021/22
		3.9.9. Number of oversight strategies developed	R325 000	1	1	-	-	-	-
		3.9.10. Level of proficiency of the Internal Audit Unit (level 1 = Low, Level 2 = Medium, Level 3 = High)	R 0	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)

5 SECTION E - POLICIES, SECTOR PLANS AND STRATEGIES

The strategic approach to the development of the ELM's integrated development plan is underpinned by policies and strategies of the national and the provincial government. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. The national development plan is an overarching national policy that has informed the municipal strategy formulation. The other recent and relevant developmental policies which the municipal strategy has been aligned to are National Strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, the King IV Code and the Provincial Government Development priorities. The section will also list the sector strategies that led the strategic direction of the municipality.

5.1. National Development Plan

5.1.1. Introduction

Through previous programs (reconstruction and development program) South Africa looks different from 1994. However, there is much that looks the same. There are still short coming in the development path. There is insufficient progress in reducing poverty and inequality and unemployment. South Africa has a potential and capacity to eliminate poverty and reduce in equality over the next decade – Long term development plan. Elundini municipality should in the future have a long term development plan aligned to the National Plan. It should integrate the plans to the IDP and also promotes that people should be champion of their own development and government must work effectively to develop people's capabilities to lead the lives they desire.

The National development plan is based on:

- ✓ effective participation of South African Citizens in their own development;
- ✓ redressing of the injustice of the past effectively;
- ✓ faster economic growth and higher investment and employment;
- ✓ rising standard of education;
- ✓ a healthy population and effective social protection;
- ✓ strengthening the linkages between the social and economic strategies;
- ✓ effective capable government, collaboration between government and private sector, strong sector leadership.

5.1.2. Strategic Projects Priorities by President's Infrastructure Coordinating Commission

The ELM through the district initiatives has also aligned its strategies to the national strategic project initiatives which it could benefit from such as follows:

➤ **SIP 6: INTEGRATED MUNICIPAL INFRASTRUCTURE PROJECT**

Develop national capacity to assist the 23 least resourced districts (19 million people) to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure. The road maintenance program will enhance service delivery capacity thereby impacting positively on the population.

➤ **SIP 10: ELECTRICAL INFRASTRUCTURE**

Electricity transmission and distribution for all. Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development. Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

➤ **SIP 11: AGRO PROCESSING INFRASTRUCTURE**

Investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure.

➤ **SIP 18: WATER AND SANITATION INFRASTRUCTURE**

A 10-year plan to address the estimated backlog of adequate water to supply 1.4 million households and 2.1 million households to basic sanitation. The project will involve provision of sustainable supply of water to meet social needs and support economic growth. Projects will provide for new infrastructure, rehabilitation and upgrading of existing infrastructure, as well as improve management of water infrastructure.

5.2. Millennium Development Goals

The Millennium Declaration signed by world leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the millennium development goals. South Africa adopted vision 2014, which is derived directly from the United Nations Millennium Goals. Vision 2014 outlined the following:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including, especially the poor and those at risk – children, youth, women, the aged and people with disabilities- are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government service to the people, national, provincial and local public representatives who are accessible, and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce cases of TB, diabetes, malnutrition and maternal deaths, and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programs that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education, and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

5.3. Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen

partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- ✓ Implement a differentiated approach to municipal financing, planning and support;
- ✓ Improve access to basic services;
- ✓ Implementation of the Community Work Program;
- ✓ Actions supportive of the human settlement outcome;
- ✓ Deepen democracy through a refined Ward Committee Model;
- ✓ Improve administrative and financial capability;
- ✓ A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently.

5.4. Other Polices and Strategies

The other polices and strategies that the ELM has aligned its strategies to are:

5.4.1. Provincial and National

- ✓ Provincial Growth and Development Strategy
- ✓ Cooperative Development Strategy
- ✓ Provincial Job Creation Strategy
- ✓ Rural Development Strategy
- ✓ Spatial Development Framework
- ✓ Investment and Promotion Strategy

5.4.2. District Municipality

- ✓ Integrated Transport Plan
- ✓ District Environmental Plan
- ✓ Water Services Development Plan
- ✓ Integrated Solid Waste Management Plan
- ✓ Disaster Management Plan
- ✓ Environmental Management Plan
- ✓ Agricultural Development Plan
- ✓ Forestry Sector Plan

5.4.3. Elundini Local Municipality

5.4.3.1. Key Sector Plans

Table 53: Compulsory sector plans to be included in IDPs

No	Sector Plans	ELM Status	Custodian	Comment	Action	Timeframes
1	Spatial Development Framework	✓	SP&LED	Required and adopted by Council in December 2018	Completed	N/A
2	Financial Plan	✓	CFO	In good standing	N/A	N/A
3	Applicable Disaster Management Plan	X	Community Services	This plan exists at a district level	ELM needs to develop its own	2019/2020
4	Integrated Transport Plan	✓	IP&D	In good standing	N/A	N/A
5	Housing Sector Plan/Strategy	✓	SP&ED	Reviewed in 2014/2015	Need to confirm whether the plan requires review or not depending on progress in the implementation of the current housing sector plan. Housing sector plan for RDP in existence. Reviewed in 2016/2017	N/A
6	Environmental Management Plan	✓	Community Services	ELM uses the District EMP of 2011.	Need to develop our own ELM plan instead of relying on the district plan. No progress yet.	2019/2020
7	Water Services Development Plan	✓	JGDM	This plan only exists at district level	Not applicable to ELM as the district is the water services authority	N/A
8	(Integrated) Waste Management Plan	✓	Community Services	In Good Standing	N/A	N/A
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)	✓	MM's Office	Required	Completed	N/A
10	Communication Strategy/Plan	✓	MM's Office	Recently reviewed	N/A	N/A
11	Workplace Skills Development Plan	✓	Corporate Services	In good standing 2016/2017	N/A	N/A
12	Employment Equity Plan	✓	Corporate Services	In good standing 2016/2017	2019/2020	N/A
13	Human Resources Plan	✓	Corporate Services	Requires review	Needs review	2019/2020

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14	Human Resource Development Strategy	✓	Corporate Services	Requires review	Redirecting funding of talent management to HR plans and strategy	2018/2019
15	Performance Management Framework and Policy	✓	Corporate Services	Required	Completed	N/A
16	Recruitment and Selection Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
17	Scarce Skills Attraction and Retention Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
18	Succession Plan Need to reconsider whether ELM needs it or not. Research further with institutions such as SALGA, etc.	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
19	Occupational Health And Safety Management System	X	Corporate Services	It is not explicit in the IDP whether the plan exists or not	There is OHS draft policy. Alignment between policy and system to be reviewed.	Q4 2017/2018
20	Anti-corruption and Anti-fraud Strategy	✓	MM's Office	Requires review	In progress	
21	LED Strategy	✓	SP&ED	Requires review	Need funding	2018/2019
22	Comprehensive Infrastructure Plan • Storm-water Master Plan • 3 Year MIG Capital Plan • 3 Year INEP Capital Plan • 3 Year Roads Maintenance Plan	✓	IP&D	The plan is developed and broken down into different plans	In good standing Need to be reviewed every two years (storm-water needs to be reviewed) 3 year roads maintenance plan under review-	2020/2021
	Electricity master plan	✓	IP&D	In place	N/A	N/A
23	Delegations Framework	✓	MM's Office	Recently reviewed in 2016/2017	In good standing	N/A
	Disaster/Emergency Preparedness Plan	X	Community Services & IP&D	Need to be developed	Not in place	2020/2021
	Air Quality Management Plan	X	Community Services	Not in Place	Not in place	2020/2021

- Municipalities need to have their own plans on how to respond to their disasters, including flooding of bridges, fires,

- Policy on Trade Effluent Plan to be incorporated in the Integrated Waste Management Plan.

5.5. Ward-Based Plans

ELM has from 22 November 2017 to 12 December 2017 embarked on a process of developing Ward Based Plans in all the municipal wards. Ward Based Planning (WBP) is a form of participatory planning which is meant to promote community action and create links with Integrated Development Plans. WBP aims at empowering communities to interact and engage with appropriate socio-economic development interventions including poverty reduction in their communities. ELM, by developing the WBP, sought to empower its communities to plan for themselves in order to understand, address and be responsive to their needs. WBP is supported by various pieces of legislations as articulated in section of legislative framework below. The main objective of supporting municipalities on the development of Ward Based Plans is to promote a participatory process that focuses on the mobilization of communities around grassroots planning with a view to:

- Improve the **quality of the IDP**;
- Improve the **quality of services**;
- Improve the community's **control over development**; and
- Increase **community action** and reduce dependency.

The development of the WBP had the following deliverables:

- Development of ward stakeholder database
- Development Ward profile
- Updating of situational analysis report
- Development of ward strategic plan

The WBP have been developed and adopted by Council and what is still awaiting is their implementation which was delayed by procuring the suitable service provider. A suitable service provider that is going to implement the ward plans has since been procured and the implementation process will start from 03 June 2019 in a clustered approach where wards are going to be grouped according to their proximity.

6 SECTION F – PERFORMANCE MANAGEMENT SYSTEM

6.1. Introduction

The municipality has since 01 July 2017 cascaded performance management to lower levels until Task Grade 12 and this process has necessitated the review of the municipality's PMS Policy. The PMS review process has taken place and the reviewed PMS Policy has been adopted by the municipal council. ELM currently conducts mid-term and annual performance reviews for the municipal manager and managers reporting directly to him and all other employees who are subjected to the performance management system. Performance bonuses are therefore paid to all deserving individuals. ELM has also migrated from manual system to an automated system with the assistance of PWC.

In terms of the Municipal Planning and Performance Management Regulations (2001), the Performance Management System:

“entails a framework that describes and represent how the municipality's cycle and processes of performance planning, management, measurement, review, reporting and Improvement will be conducted, organised and managed including determining of roles of different role players”

Accepting this definition as contained in the Act, the ELM has reviewed and adopted its PMS Policy to drive towards the following objectives:

- To give effect to the legislative obligations of the ELM in an open, transparent and focused manner;
- To incorporate the already implemented performance management processes applicable to Section 57 Managers and how these relate to and link with the system in a holistic, institution wide, policy;
- To provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvement; and
- To link and eventually to lock the IDP, the Budget and a Performance Management System in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.
- The establishment of a system which translates the IDP into measurable objectives and targets;
- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- The promotion of an accountable municipality.

6.2. Principles governing Elundini PMS

The following principles guided and informed the process of developing the Performance Management System for Elundini Municipality:

- Simplicity
- Politically acceptable
- Transparency and accountability
- Efficiency and Sustainability
- Consultation and Community Involvement
- Incremental Implementation

6.3. Role players in ELM Performance Management System

The roles and responsibilities regarding the implementation of PMS as contained in ELM policy for PMS is discussed in the table below:

Table 54: Role of Council:

PLANNING	MONITORING		
	REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> • Adopts priorities and objectives of the Integrated Development Plan • Adopts the municipal scorecard • Establishes the oversight committee for the purpose of the annual report. 	<ul style="list-style-type: none"> • Approves the annual review program of the IDP. • Approves the top level SDBIP. • Approves changes to the SDBIP and adjustment Budget • Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality. 	<ul style="list-style-type: none"> • Report the performance of the municipality to the Community at least twice a year. (through a public Report). • Receives externally audited performance reports from the Executive Committee twice a year. • Approves the recommendations for the improvement of the PMS. • Annually receives report on the Municipal Manager and the s57 managers' performance. • Submits the annual report to the MEC and Auditor General. 	<ul style="list-style-type: none"> • Approves the annual Audit Plan and any substantial standards to it.

Table 55: Role of Municipal Manager:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Submits priorities and objectives of Integrated Development Plan to Council for Approval. Approves Service Delivery and Budget Implementation Plan. Enters into Performance Agreement with Municipal Manager on behalf of the Council. Assigns the responsibility for the management of the PMS to the Municipal Manager. Tables the budget and the Top level SDBIP to Council for Approval. 	<ul style="list-style-type: none"> Manages the overall implementation of the IDP. Ensures that all role players implement the provisions of the role players Ensures that the Departmental scorecards serve the strategic scorecard of the municipality. 	<ul style="list-style-type: none"> Formulation of the annual review program of the IDP, including the review of KPI's and targets for consideration by Council and Executive Mayor. Formulation of the annual performance improvement measures. Quarterly and annually reviews the performance of Departmental Managers. 	<ul style="list-style-type: none"> Receives performance reports quarterly from the internal audit unit Receives performance reports twice a year from Performance Audit Committee. Submits annual report of the municipality to Council. 	<ul style="list-style-type: none"> Formulates response to the performance audit report the Auditor General and makes recommendations to the executive mayor.

Table 56: Role of S57 Managers:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Participate in the identification of IDP priorities and the whole IDP. Process. Participate in the Formulation and Revision of the 	<ul style="list-style-type: none"> Manages the implementation of the SDBIP. Ensures that the annual programs are implemented according to the targets and 	<ul style="list-style-type: none"> Participates in the Formulation of the annual review of the KPI and targets. Annually reviews the performance of the department to improve the economy, 	<ul style="list-style-type: none"> Submit quarterly departmental performance reports. 	<ul style="list-style-type: none"> Participates in the formulation of the response to the performance audit report of the Auditor-General and makes recommendations to

<p>municipal strategic scorecard.</p> <ul style="list-style-type: none"> • Participate in the formulation of the Top level SDBIP. • Manages Subordinates performance measurement system. • Enters into a performance agreement with the Municipal Manager. • Reports quarterly to Municipal Manager. 	<p>timeframes agreed to.</p> <ul style="list-style-type: none"> • Implements performance improvement measures approved by the Executive Committee. • Ensures that performance objectives in the performance agreements are achieved. 	<p>efficiency and effectiveness of the departments. .</p> <ul style="list-style-type: none"> • Quarterly and annually evaluates the performance of the department • Participates in Mid – Term Review. 		<p>the municipal manager.</p> <ul style="list-style-type: none"> • Participates in the formulation of the response to the recommendations of the internal auditor and PAC.
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Table 57: Role of the Audit Committee:

PLANNING	MONITORING	
	REVIEW	REPORTING
<ul style="list-style-type: none"> • Participates in the formulation of the annual audit plan. 	<ul style="list-style-type: none"> • Review quarterly reports from the internal auditors. 	<ul style="list-style-type: none"> • Reports twice a year to the Municipal Council.

The ELM does not have a separate Performance Audit Committee and performance reports are submitted to the Audit Committee and reviewing.

The KPIs and Targets of the S.57 managers was an essential first step in the implementation of performance management and laid the foundation for the devolvment of the KPIs and Targets process of the system down to the next level of management and thereafter to the entire workforce.

6.4. Performance Agreements with Sectional Heads

- Legislation places no obligation on a municipality to enter into performance agreements with sectional heads. However, the Council recognises such agreements as a logical further step to cement the PMS in the administrative executive component of the Municipality provided these agreements are in accordance with applicable legislation.
- The Council has adopted the Rewards and Incentives Policy and this policy will necessitate the existence of performance agreements with employees who may benefit from such a policy.

- The municipality has reviewed its performance management system policy to be able to reward deserving lower level employees and has been adopted by the Council.

Culture and Work Situation

The ELM is committed to establish and maintain a culture and work situation conducive for the implementation and maintenance of a performance management system including regular performance appraisals and establishing a factual foundation for the system. The activities to be embarked on will, of necessity, be running concurrently with actual monitoring and measuring of performance and will include the following:

- ✓ To introduce the performance management system via an internal brief prepared by the Management Team, having consulted the Local Labour Forum (in its PMS Subcommittee should this be established) and approved by the Council.
- ✓ The brief will be circulated to all departments and employees via formal communication channels.
- ✓ The brief will inter alia explain the legislative obligations underlying the system, the process to be followed and the principles that will be adhered to by the Council.
- ✓ The system will be regularly reviewed and, in doing so, employee evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organisation-specific while adhering to the legislative framework.
- ✓ Amendments to the system will be communicated to departments and employees in the same manner as outlined above.
- ✓ To establish and maintain a factual basis for the performance appraisals, the job analysis of each position in the Municipality will be regularly updated with respect to line functional activities and linked to the relevant department's objectives and targets as derived from the IDP.
- ✓ Based thereon, the appraisors and appraisees will determine mutually agreed to performance criteria, based on a format designed and approved by the Corporate Services Department for standardisation and equality purposes.

The annual process of managing performance at organizational level in ELM involves the steps as set out in the diagram overleaf:



Figure 6: PMS

6.5. Planning for performance

The process of compiling an IDP and the annual review thereof constitutes the process of planning for performance.

6.5.1. Setting Key Performance Indicators

Many of the key performance indicators are prescribed in Section 10 of the Regulations and in terms of Section 43 of the Municipal systems Act. These are listed as:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to basic free services;
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP;
- The number of jobs created through municipality's LED initiatives including Capital projects;
- The number of people from employment equity target groups employed in three highest levels of management in compliance with an approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan;
- Financial viability.

6.6. Alignment of the PMS to the IDP and Budget

The IDP fulfils the planning stage of Performance Management, which in turn fulfils the implementation, management, of IDPs. The last component of the cycle of OPMS is review, and the outcome of the performance review process must inform the next cycle of the IDP compilation/review. There are several components to the integration of the PMS.

PMS determines the visions of the municipality as well as its IDP priorities, objectives, performance management and budget, Council's priorities and objectives. They are based on community needs, the Constitutional mandate of Local Government, national legislation and the general KPIs within the framework of powers and functions of ELM. The Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006) 26(6) outlines five Key Performance Areas for Municipal Manager and the S57 Managers and these are as follows:

- ✓ Basic Service Delivery
- ✓ Municipal Transformation and Institutional Development
- ✓ Local Economic Development
- ✓ Municipal Financial Viability and Management; and
- ✓ Good Governance and Public Participation

The KPA's of the Elundini Municipality IDP 2014/2015 is being reviewed and will be aligned accordingly.

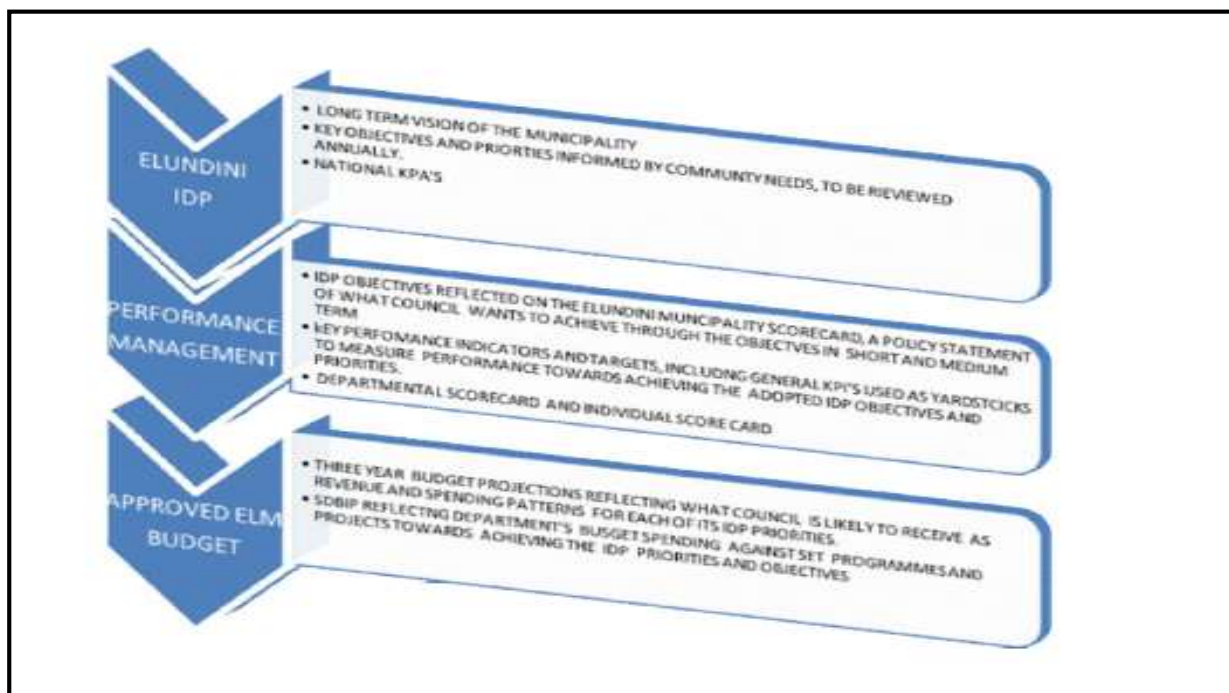


Figure 7: Linkage between IDP Budget & PMS

6.7. Tracking and Reporting Progress

- Since the municipality has migrated for the manual performance management system to an automated one, with the assistance of PWC, the Office of Municipal Manager through its PMS Unit, verifies the performance reports submitted by departments and develops quarterly reports which it submits to the municipal manager, Standing Committee, EXCO and eventually the municipal council.
- The Internal Auditors provide quarterly audit reports to the Municipal Manager and the Performance Audit Committee.
- The Audit Committee convenes at least four times per annum and four audit committee reports are submitted to the Council. These reports must include enough details so that early warning signals of underperformance can be detected. The reports must also indicate corrective measures where such under-performance has been identified.
- The Municipal Manager oversees the compilation of an annual performance report to the Council, which report is then also submitted to the Auditor General.
- Within one month of receiving the AG's audit report on the Performance Information and the Audited Financial Statements of the previous financial year, the Municipal Manager must submit to the Council a consolidated Annual Report for adoption. The media, community, AG and MEC must be informed of the meetings at which this report will be tabled. The minutes of the meeting/s should be provided to the Auditor General and the MEC. The adopted annual report must be made available to the media, public and interested parties and submitted to the MEC.

The Consolidated Annual Report to include:

- ❖ The Performance Report reflecting the:
 - ✓ Performance of the Municipality and any service provider based on the KPIs and specifying the extent to which targets were achieved;
 - ✓ Measurements taken or to be taken to improve performance;
 - ✓ Development and service delivery priorities and targets set for the following year and reasons for significant differences in these targets from the one to the other year;
 - ✓ A statement by the external auditor concerning the reasonableness of the report.
- ❖ Audited financial statements for the year
- ❖ Annual audit of the Auditor General on the PMS report
- ❖ Any other legislated matters for reporting.

6.8. Publication of Performance Reports

- ❖ The ELM publishes at least once a year a public report on its performance in terms of the MSA, 2000.
- ❖ Existing Public Participation Structures and mechanism for ELM which will be used include:
 - ✓ IDP Rep Forum
 - ✓ Youth & Women Groups
 - ✓ Disability Groups
 - ✓ Local Newspaper
 - ✓ Audio Media / Loud Hailers
 - ✓ Public Notices

6.9. Public Feedback Mechanisms

The public Feedback on reported performance can be obtained if the public are aware of dedicated mechanisms for submitting feedback such as:

- ✓ Telephone numbers (toll free)
- ✓ Fax lines
- ✓ Emails
- ✓ Feedback boxes at Municipal Services offices

The Elundini will develop a comprehensive Communications strategy to among other things propose public feedback mechanism and structures for ELM. Upon its adoption this section will be read together with that policy and or strategy.

6.10. Performance Reviews and Assessments

Performance review is a process whereby the municipality, after measuring its own performance, assesses whether it is doing the right things and doing them right. The municipality is required to identify strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it. The Municipal Manager utilises Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment.

The review framework for Elundini Municipality will be conducted based on the following:

- ❖ Baseline Indicators – this entails assessing whether the current level of performance is better than the previous year by using baseline indicators.

- ❖ Community Feedback – survey to obtain feedback from the community about their views of the performance of the municipality in one PMS cycle.
- ❖ Performance Review in ELM will take place annually at least a month after all Performance Information (PI) has been audited and Auditor Report issued on PI.
- ❖ In the review process, a careful analysis of the municipality performance will be done in order to understand why it has performed well or underperformed in that particular financial year.
- ❖ The results of the review will be used to develop measures to improve performance and inform the planning stage of the following years' institutional scorecards and annual programs.
- ❖ The lines of accountability with regard to Performance Review can be summarized as follows:
 - ✓ Managers/Sectional Heads will review performance of their respective functions or sections on a regular basis and should cover all the organisational priorities relevant to the function or section
 - ✓ Executive Management:
 - Review performance quarterly to minimise risks and poor performance.
 - Review performance before reporting to the Executive Committee. This will enable them to prepare and control the quality of performance reports and include adequate response strategies in cases of poor performance.
 - ✓ Executive Committee: As the delegated authority for the management of development of the performance management system in terms of the Act, the Executive Committee plays a most significant role in reviewing the performance of the administration. Review at this level should be strategic and not restrained by operational discussions. The content of the review should be confined to agreed or confirmed priority areas and objectives.
 - ✓ Standing or Portfolio Committees need to review the performance of functions or sections according to their assigned portfolios on a regular basis, i.e. quarterly.
 - ✓ Council should review the performance of the municipal council, its committees and the administration at least twice per year.
 - ✓ The public: It is required by the Act and the Regulations published in accordance therewith, that the municipality secure community participation in the review process. This could ideally be done when the annual report is compiled at the end of the financial year.

6.11. Monitoring and Measurement Framework

Monitoring is a continuous process of measuring, assessing and analysing and evaluating the performance with regard to the SDBIP, KPI's and targets. Performance measurement is essentially the process of analysing the data provided by the monitoring system on order to assess performance. The preferred and adopted model for Performance Management in Elundini Municipality is the Municipal Scorecard Model.

According to this model, in measuring performance municipalities need to look at:

- ❖ Inputs: (Resources, Financial Perspective)
- ❖ Outputs: (Results, Service Delivery Perspective)
- ❖ Outcomes: (Impact, Customer satisfaction, growth, Quality of Life)

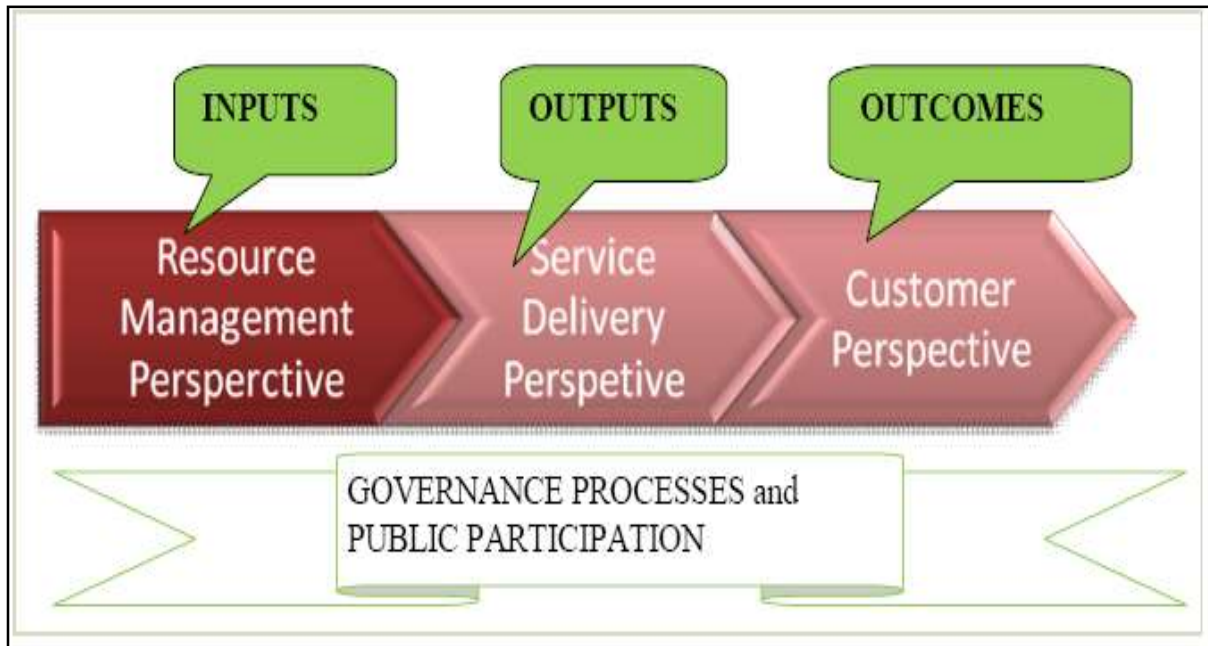


Figure 8: Governance Process and Public Participation

6.11.1. Performance Audit

The Municipal Planning and Performance Management Regulations, 2001, require municipalities to develop and implement mechanisms, systems and processes for auditing results of performance measurements as part of its auditing processes:

- ❖ Internal Auditors audit on a continuous basis which will result in quarterly reports being submitted to the Municipal Manager;
- ❖ Audit Committee receives quarterly reports from the Internal Auditors which it reviews together with PMS's economy, efficiency, effectiveness and impact based on the KPI's and Targets;
- ❖ The Audit Committee must submit at least two audit reports to the Council in a financial year.

6.11.2. Evaluation

- ❖ In terms of the adopted PMS, the Municipal Manager evaluates the quarterly performance reports from the S.57 Managers and use them to inform the steps to be taken to improve performance to meet annual targets and to intervene in case of red flag situations.

- ❖ The Municipal Manager must submit a consolidated quarterly report to the Internal Auditors. The Auditors must evaluate these reports together with other information obtained through their auditing obligations and in turn must provide the Municipal Manager with quarterly Audit Reports.
- ❖ The Municipal Manager then submits such reports as prescribed to the Council including a consolidated annual report for adoption by the Council.
- ❖ The Council must assess the performance of the Municipal Manager and S.57 Managers during June/July of each year with the assistance of an independent facilitator as further detailed in their performance agreements.
- ❖ The S.57 Managers must evaluate the quarterly performance reports from the Sectional Heads and use these to inform their own quarterly reports to the Municipal Manager.

6.12. Employee Performance Appraisal

- The performance appraisal of the Managers/ Sectional Heads will be the responsibility of the S.57 Managers with the assistance of an independent facilitator.
- These appraisals will be done on an annual basis as further detailed in the performance agreements of Managers and Sectional Heads prior to the Council's appraisal of the S.57 Managers.
- The S.57 Managers and Managers must ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective departments/sections as further set out below, co-ordinate the results thereof and through their own quarterly reports report on the progress with implementation of the system, successes and failures thereof and problems experienced.
- Managers will be responsible for the performance interviews with their respective middle management employees.
- The first round of assessments executed for middle management staff could be done with the assistance of an independent facilitator should the staff so prefer.
- Thereafter the option of requesting a co-appraiser to be present at their interviews will be available to these employees.
- The appraisals of lower level employees must be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and in a position to observe the employee's performance on a daily basis.
- If no suitable supervisor or line manager is available to do the performance appraisal, the head of the section must take responsibility for the performance appraisal.

- If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant S.57 Manager. In such circumstances the S.57 Manager or the S.57 Manager of the CSD could also fulfil the role of a co-appraiser.
- The first formal performance appraisals of a staff level will take place three months after introduction of the system to such a staff level and thereafter on an annual basis.
- The steps to be taken to rectify substandard performance or enable continued support, coaching and counselling based on the results of the performance appraisals will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings must be of a more informal nature but still recorded in writing.
- The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee must not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.
- The place where a performance interview is conducted must be comfortable for both the appraiser and the appraisee and care must be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.
- Written feedback on the annual performance appraisal must be given to an employee within a reasonable period after the performance interview. A reasonable period would not exceed four weeks.

6.13. Performance Improvement

Although the municipality should strive to continuously improve performance to meet the needs of communities, it is poor performance that needs to be addressed as a matter of priority:

- The Council must advise the Municipal Manager on steps to be taken to improve performance based on the Auditor General's assessment. The IDP review process must provide a barometer of how well the Municipality performed in terms of service delivery and, if as prescribed, the community is provided with the Consolidated KPIs and Targets document, the latter could serve to inform the community's input in the review process.
- The training needs of staff, originating from their performance appraisals shall be fed into the Workplace Skills Plan and addressed by the sourcing of relevant providers and training courses to largely address the internal capacity shortcomings of the Municipality.

6.14. Performance Incentives and Rewards

- The municipality has reviewed its performance management system in 2014 to accommodate the performance rewards to the deserving lower level staff.

- The performance reward system of the Municipal Manager and the S.57 Managers is built into their contracts of employment and performance agreements as prescribed by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.
- Based on the Internal Auditors and the Audit Committee's evaluation of the progress made with the PMS and the commitment of management and staff thereto, the Council undertakes to investigate the financial, legal and institutional feasibility of performance rewards and to adopt a Rewards and Incentives Policy in this regard.
- The process will include a consultative process with the ELM Local Labour Forum.
- The criteria to be used is the following:
 - ✓ There should be measurable assessment criteria based on the IDP;
 - ✓ There should be a formal assessment against these criteria through the appraisal system as detailed in this policy;
 - ✓ The results of these assessments should be clear enough and of such a standard that a pre-determined scale of rewards could be based thereon;
 - ✓ In the case of financial rewards, the annual budget must be able to provide for it;
 - ✓ An incentive and reward system should not be in conflict with any local government legislation or binding ruling given by the Department of Provincial and Local Government (COGTA), the South African Local Government Association (SALGA) and/or the South African Local Government Bargaining Council (SALGBC).

6.15. Institutional Scorecard 2019/2020

The appropriate municipal scorecards (top layer SDBIP for 2019/2020 financial year) linked to this IDP is depicted below:

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Table 58: SDBIP 2019 -2020

Below is the draft 2019 – 2020 SDBIP and once the final SDBIP has been approved by the Mayor, the draft below will be updated:

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE											
Goal(s) 1: Accelerate service delivery and infrastructure development											
Strategic Objective	Indicator	Budget Allocation 2019/2020	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
1.1. Increase quantum of households receiving free basic services	Number of indigent households with access to free basic services	NKPI	R 6 289 427	13000	14000	14000	14000	14000	14000	Summary pages of the Indigents Register	Manager - Income & Expenditure
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of households in electrification programme connected	R 18 500 000	31655	1000	Finalizing designs	Contractor establishes site	Digging trenches, planting poles	1000	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of km for Link Line constructed	R 2 500 000	22	10	Finalizing designs	Contractor establishes site	Digging trenches, planting poles	10	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of Street lights installed	R 1 082 500	940	50	Establish site, Trenching	Cabling	Fitting and mounting on poles	50	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE											
Goal(s) 1: Accelerate service delivery and infrastructure development											
Strategic Objective	Indicator	Budget Allocation 2019/2020	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of High Mast lights installed	R 1 937 230	53	3	Establish site, Trenching	Cabling	Fitting and mounting on poles	3	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of paved roads constructed	R 10 695 483	32.57	9.6km	Base Course Layers	Priming surface	Surfacing of roads	Completing of 2.9km of surfacing	Monthly progress reports, Completion Certificates	PMU Manager	SCM; M&E
					Surfacing of roads	Completing of 3 km of surfacing					
					Surfacing of roads	Completing of 3.7km of surfacing					
					Preliminary design for the internal Streets	-	Submission Detail Design for the Internal Streets for approval	Tender documentation and package order preparation			
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of unpaved access roads constructed	R 20 355 117	525	18.7km	Detailed Design completion	Contractor site Establishment and Roadbed preparation	Tipping and Wearing course	Installation of pipes and Construction of Bridge	Monthly progress reports , Completion Certificates	PMU Manager	SCM; M&E
					Detailed Design completion	Contractor site Establishment and Roadbed preparation	Tipping and Wearing course	Installation of pipes and Construction of Bridge			

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE											
Goal(s) 1: Accelerate service delivery and infrastructure development											
Strategic Objective	Indicator	Budget Allocation 2019/2020	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
					Installation of Pipe and Construction of Head wall	Wearing course and compaction	Completion of the 13km access Road and portal culvert	None			
					Installation of Pipe and Construction of Head wall	Wearing course and compaction	Completion of the 5.7km access Road and portal culvert	None			
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of District Roads (DR) maintained under Public Works' Service Level Agreement (SLA)	R 4 940 000	220	220	40	80	40	60	Maintenance Report	Buildings and Civil Manager	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of access roads maintained under SLA		200	200	50	50	50	50	Maintenance Report	Buildings and Civil Manager	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	m² of surfaced roads maintained	R 2 300 000	2800m²	3600m²	600	1500m²	2600m²	3600m²	Progress report	Manager Buildings and Civil Works	SCM
KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT											
Goal(s) 2: Promote Sustainable economic growth and creation of decent jobs											
Strategic Objective	Indicator	Budget Allocation 2018/2019	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE											
Goal(s) 1: Accelerate service delivery and infrastructure development											
Strategic Objective	Indicator	Budget Allocation 2019/2020	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
2.4 Promote creation of employment opportunities and decent jobs	Number of EPWP work opportunities created	R 0	411	250	75	75	50	50	Employment Contract register	PMU Manager	
2.1 Increase mining, agricultural, forestry and tourism products and services	Number of hectares made available for the RAFI program	R 500 000	1	2	Social facilitation	1000 hectares	1500	2000	RAFI social mobilisation report signed off by Director	Manager Property and Economic Development	
2.3 To increase investment through land and socio-economic infrastructure development	Rand value of property development attracted	R 25m	R95m	25 M	Sketches drawn	Title deeds	Appointment of the developer	25M	Projects Report signed by the Director	Manager Property and Economic Development	
2.2. Support the development of SMME to participate in a diversified and growing economy	Number of local contractors in construction to graduate to the next grade (cumulative)	IP&D Budget	9	10	N/A	N/A	N/A	10	CIDB report	Manager: LED	
KEY PERFORMANCE AREA (KPA) 3 :FINANCIAL MANAGEMENT AND VIABILITY											
Goal 3: To improve the effectiveness of governance, administrative and financial systems											
Strategic Objective	Indicator	Budget Allocation 18/19	Baseline	Annual Target 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
3.2 Enhance organizational performance and management of municipal resources	% expenditure on all infrastructure grants	65 Million	100%	100%	10%	40%	65%	100%	Expenditure Reports	Finance Manager Projects	N/A
Increase quantum of households receiving free basic services	Number of indigent households with access	R 6 289 427	13000	14000	14000	14000	14000	14000	Summary pages of the Indigents Register	Manager - Income & Expenditure	N/A

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE											
Goal(s) 1: Accelerate service delivery and infrastructure development											
Strategic Objective	Indicator	Budget Allocation 2019/2020	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
	to free basic services										
Enhance organizational performance and financial management of municipal resources	Current Ratio	R 0	1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	Section 52d Report	Manager - Budget & Reporting	N/A
Strengthen integrated planning, monitoring and evaluation of municipal programmes.	% of contracts for capital projects monitored against a set criteria	R 0	Currently undertaken	100%	100%	100%	100%	100%	Minutes of the progress meetings, attendance registers and vendors performance monitoring report signed by HoD	Manager - Supply Chain	Director: IP&D
KEY PERFORMANCE AREA (KPA) 4 : MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT											
Goal 4: To improve the effectiveness of governance, administrative and financial systems											
Strategic Objective	Indicator	Budget Allocation 18/19	Baseline	Annual Target 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
3.2 Enhance organizational performance and management of municipal resources	% of quarterly review of employees on performance agreements	R 0	0	100%	100%	100%	100%	100%	Performance Assessment Results	Senior Manager: Strategic Support Services	N/A
3.2 Enhance organizational performance and management of municipal resources	% of employees between Task Grade 12 - 18 subjected to skills audit.		49	100%	N/A	25%	50%	100%	Skills audit report signed off by Director Corporate Services; List of Employees between TASK	Manager Human Resources & Development	

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE											
Goal(s) 1: Accelerate service delivery and infrastructure development											
Strategic Objective	Indicator	Budget Allocation 2019/2020	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
									Grade 12 and 18.		
KEY PERFORMANCE AREA (KPA) 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION											
Goal(s) 3: To improve the effectiveness of governance administrative and financial systems											
Strategic Objective	Indicator	Budget Allocation 2018/2019	Baseline	Annual Target 2019/2020	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
3.1 Strengthen integrated planning, monitoring evaluation and of municipal programmes	% of Audit Committee resolutions implemented	R 0	100%	100%	100%	100%	100%	100%	Report on the implementation of Council resolution. Resolution Register	Senior Manager: Strategic Support Services	Corporate Services

7 SECTION G – PROJECTS LIST

7.1. MIG Three Year Capital Implementation Plan										
Project No	Project Name	Ward No	EXTENT OF WORKS	STATUS	Project Value	REGISTRATION STATUS (YES/NO)	FUNDER	MTEF ALLOCATIONS: 2018/19 - 2020/21		
								2019/2020	2020/2021	2021/2022
								R 38 948 000,00	R 40 997 000,00	R 43 945 000,00
1.	Project Management Unit	-	-		-		MIG	R 1 947 400,00	R 2 049 850,00	R 2 197 250,00
2	Upgrading of Sonwabile to Old Location Road and Stormwater	3	6.5km	Construction	R 23 209 953,15	Yes	MIG			
3	Upgrading of Sonwabile Streets - Phase 2	3	2.2km	Planning	R 9 133 672,66	Yes	MIG	R 3 500 000,00		
4	Construction of Ilisolomzi Community Centre	9	1 Unit	Construction	R 4 500 000,00	Yes	MIG			
5	Upgrading of Sithole Streets & Stormwater	3	3km	Construction	R 11 731 757,21	Yes	MIG	R 1 406 433,34		
6	Emjikelweni Access Phase 2	11	2.1km	Completed	R 4 000 000,00	Yes	MIG			
7	Hopedale Sportsfield	5	1 Unit	Construction	R 1 780 096,50	Yes	MIG			
8	Mount Fletcher Sportfield	15	1 Unit	Construction	R 1 500 000,00		MIG			
9	Upgrading of Vincent Streets & Stormwater	17	3.7km	Construction	R 16 423 057,06	Yes	MIG	R 3 074 338,34		
10	Liphofung access road	15	13.5km	Construction	R 10 125 000,00	Yes	MIG	R 5 615 402,64		
11	Mohoabatsane Access Road	13	3.7 km	Completed	R 3 626 302,00	Yes	MIG			
12	Construction of T83 to Platana Access Road & Bridge	4	1	Planning	R 4 485 000,00	Yes	MIG	R 2 000 000,00		
13	Construction of Ntabayikhonjwa Access Road	12	6km	Construction	R 9 302 105,49	Yes	MIG	R 3 559 289,37		
14	T83 to Upper Tsitsana Access Road	4	12.02km	Planning	R 7 424 724,90	Yes	MIG	R 7 424 724,90		

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15	Lower Tsitsana Community Centre	4	1 Unit	Construction	R 4 500 000,00	Yes	MIG	R 1 500 000,00		
16	Construction of Ugie Sports Field			Construction require business plan	R 12 781 750,85					
17	Upgrading of Kinirapoort Access Road	2 12	1 Unit 4.5km		R 4 843 933,55	Yes No	MIG MIG		R 4 843 933,55	
18	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 1	3	3.99km	Planning	R 31 527 721,71	Yes	MIG	R 2 714 711,41	R 14 963 266,45	R 13 849 743,85
19	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 2								R 0,00	
20	Upgrading of Greenfields Streets & Stormwater	17	8km	Require business plan	R 38 400 000,00	No	MIG		R 5 500 000,00	R 7 500 000,00
21	Koebong Access Road	13	7.1km	Planning	R 6 246 225,00	No	MIG	R 6 205 700,00		
22	Lower Sithana	5	9km	Registered	R 6 750 000,00	yes	MIG		R 6 750 000,00	
23	Construction of Ugie Open Market	2	1 unit	Require business plan	R 2 389 950,00	No	MIG			R 1 150 256,15
24	Construction of Chevy Chase Access Road	16	TBC	Require business plan	TBC	No	MIG			
25	Castle Roack Access Road & Bridge	8	TBC	Require business plan	TBC	No	MIG		R 2 389 950,00	
26	Thabo Mbeki Access Road	9	TBC	Require business plan	TBC	No	MIG			
27	Tembeni housing project: infrastructure	9	TBC	Require business plan	TBC	No	MIG			
28	Community Hall for ward 10 in Tribal Authority	10	1 Unit	Require Business Plan	TBC	No	MIG			R 4 500 000,00
29	Community Hall for ward 12 at Kinira Poort	12	1 Unit	Require Business Plan	TBC	No	MIG		R 4 500 000,00	

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30	Community Hall for ward 05	5	1 Unit	Require Business Plan	TBC	No	MIG			
31	Community Hall for ward 06	6	1 Unit	Require Business Plan	TBC	No	MIG			
32	Community Hall for ward 08	8	1 Unit	Require Business Plan	TBC	No	MIG			R 4 500 000,00
33	Community Hall for ward 11	11	1 Unit	Require Business Plan	TBC	No	MIG			
34	Community Hall for ward 13	13	1 Unit	Require Business Plan	TBC	No	MIG			
35	Community Hall for ward 14	14	1 Unit	Require Business Plan	TBC	No	MIG			
36	Community Hall for ward 15	15	1 Unit	Require Business Plan	TBC	No	MIG			
37	Community Hall for ward 16	16	1 Unit	Require Business Plan	TBC	No	MIG			R 4 500 000,00
38	Tabase (Bridge between Sigingqini & Tsoekile)	13	1 Unit	Require Business Plan	TBC	No	MIG			R 0,00
39	Lenge/ Rhina Bridge	14	1 Unit	Require Business Plan	TBC	No	MIG			
40	Mount Fletcher access roads (Nkululekweni Surfacing)	9	TBC	Require Business Plan	TBC	No	MIG			R 5 747 750,00
41	Construction of Mount Fletcher Open Market	9	1unit	Require Business Plan	TBC	No	MIG			
TOTAL FOR MIG PROJECTS								R 38 948 000,00	R 40 997 000,00	R 43 945 000,00

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7.1.1. 2019 – 2020 IMPLEMENTATION PLAN

National Registration Number (as on the MIG-MIS)	Project Title	EPWP Y/N	MIG Category (B,P or E)	Project Type (water, sanitation etc.)	Total Project Cost	Registered MIG Funds	Project Status (Not registered, Registered, Design & Tender, Contractor appointed, Construction <=25%, <=50%, <=75%, <=99%, completed, retention)	Date: Tender advertised or to be advertised yy-mm-dd	Date: Contractor appointed or to be appointed and construction to start yy-mm-dd	Date: Project to be completed yy-mm-dd	Total planned expenditure on MIG for 2019/20
R/EC/14020/17/20	Upgrading of Sithole Streets & Stormwater	Y	B	Roads	R 1 406 433,34	R 11 731 757,21	Construction stage <=50%	N/A	20-Jan-16	28-Feb-20	1 406 433,34
R/EC/14018/17/20	Upgrading of Vincent Streets & Stormwater	y	B	Roads	R 3 074 338,34	R 16 423 057,06	Construction stage <=50%	N/A	20-Jan-16	28-Feb-20	3 074 338,34
EC2018/19/02/181	Upgrading of Sonwabile Streets - Phase 2	Y	B	Roads	R 3 500 000,00	R 9 133 672,66	Construction stage <=25%	N/A	20-Jan-16	30-Jun-20	3 500 000,00
R/EC/9936/11/13	Construction of Liphofung Access Road	Y	B	Roads	R 5 615 402,64	R 10 125 000,00	Construction stage <=25%	May-18	30-Nov-18	15-Dec-19	5 615 402,64
R/EC/4803/08/10	Construction of T83 to Platana Access Road & Bridge	y	B	Bridge	R 2 000 000,00	R 4 485 000,00	Planning	May-18	01-Jul-19	30-Jun-20	2 000 000,00
R/EC/14933/17/19	Construction of Ntabayikhonjwa Access Road	Y	B	Roads	R 3 559 289,37	R 9 302 105,49	Construction stage <=25%	May-18	30-Nov-18	15-Dec-19	3 559 289,37
EC2018/19/02/180	Construction of Tsitsana Community Hall	Y	P	Community Hall	R 1 500 000,00	R 4 500 000,00	Construction stage <=25%	May-18	30-Nov-18	15-Dec-19	1 500 000,00
R/EC/14932/17/19	T83 to Upper Tsitsana Access Road	Y	B	Roads	R 7 424 724,90	R 7 424 724,90	Planning	May-18	01-Jul-19	30-Jun-20	7 430 424,90
EC2019/20/04/01	Koebong Access Road	Y	B	Roads	R 6 205 700,00	R 6 246 225,00	Planning	May-18	01-Jul-19	30-Jun-20	6 200 000,00
EC2017/18/03/06	Upgrading & Rehabilitation of	Y	B	Roads	R 2 714 711,41	R 31 527 721,71	Planning	May-18	01-Jul-19	30-Jun-20	2 714 711,41

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	Maclear Roads (Cluster 1 Roads)										
	PMU ADMIN				R 1 947 100,00						R 1 947 400,00
					R 38 948 000,00						R 38 948 000

7.1.2. 2019 – 2020 INEP PLAN

	Estimated construction cost	2019/20 Annual Budget	No. Households	Bulk Infrastructure
Khalankomo	4 299 060,27	2 888 960,80	218	
Luzie Drift	2 410 122,20	544 821,49	131	
Pitseng Mkaka	821 396,84	625 711,00	33	
Nxotshana	10 534 740,68	3 309 026,60		
Seqhobong	7 248 080,24	345 146,68		
Ntabelanga	2 064 000,00	2 064 000,00	86	
Tafeni/Nkamani	2 472 000,00	2 472 000,00	103	
Zimbane/Luxeni	2 400 000,00	2 400 000,00	100	
Monitoring	1 577 100,00	1 577 100,00		
Link Line	2 501 986,00	2 501 986,00		7 km
Pre-Engineering 2020/21	2 271 247,03	2 271 247,43		
	38 599 733,25	21 000 000,00	671	

7.2. Provincial Allocations per DORA

7.2.1. Indicative National Grants Allocation as Per DORA

Table 59: Indicative National Allocation as Per DORA

Grants	Direct/Indirect	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EQUITABLE SHARE	Direct	138 382	149 117	160 009
Energy Efficiency and Demand Side Management Grant	Direct	5 000	8 000	8 000
Local Government Financial Management Grant	Direct	1 700	1 700	1700
Expanded Public Works Programs Integrated Grant for Municipalities	Direct	1 777	0	0
Municipal Infrastructure Grant	Direct	38 207	38 948	40 997
Integrated National Electrification Program Grant (Municipal)	Direct	25 636	19 200	19 154
Integrated National Electrification Program Grant (Eskom)	Indirect	56 672	46761	49 333
TOTAL		267 374	263 726	279 193

7.2.2. Provincial Indicative Allocation

Table 60: Provincial Indicative Allocation

GRANTS	Direct/Indirect	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Small Town Revitalization Grant	Direct	29 588	20 305	14 521
Small Town Revitalization Program – Wool Shearing Sheds	Direct	500	0	0
Library Subsidies	Direct	750	838	884
TOTAL		30 838	21 143	15 405

7.3. Planned projects by the Department of Human Settlements

Table 61: Human Settlement Planned Projects

Project Name	Scope	Target	Allocated Budget	Status Quo
Mount Fletcher Thembeni 2400 Units (Phase 1)	2400	350		Planning Studies
Maclear - Elundini 100 subs Destitute (- 96 subs)	96	43	R 7 905 335.00	18 Approved Beneficiaries (14 Outstanding) Service Provider busy with 20 units this year
Maclear - Sinxako 486 Subs (Phase 1)	486	50	R 10 333 895.00	310 approved beneficiaries. Service Provider on site
Maclear - Mqokolweni 305 Subs (Phase 1)	305			248 approved beneficiaries. SCM Underway. Planned for 2 years
Mount Fletcher - Mangoloaneng 365 Units (Phase 1)	365	49 outstanding units at various stages	R2 564 578	All 365 beneficiaries approved. Service Provider quote received for various stages including 29 left by previous Service Provider.
Mount Fletcher - Kuebung 290 Subs (Phase 1)	290			247 Approved beneficiaries. SCM underway. Planned for 2 years

Table 62: Human Settlement Running Projects

Project	Progress	Challenges	Intervention
Elundini – Sinxako 486 – Phase 2) Wards 6 (target for 2018/19 is 50)	Units Completed 42 (target = 50 for 2018/19 FY) Contractor reached agreement on Site to build 100 additional units making 150	Progress within agreed target as per Contract agreement (50 units). SP experienced bad terrain & Double handle, unable to achieve 150	Requested Tamandla to beef up Capacity SP initiated a Cession to chase remaining target (depending of available Funds.
Katkop 500	Units Completed - 496	Additional Retaining Walls require extra findings,	Requested additional fund approved

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		Historic issues (Cession from PPI to Takela Group)	
Mangoloaneng 365	Units Completed s- 366	Projected Completed ready for close-out once retentions are done	
Maclear - Elundini 100 Subs Destitute (-20 Subs – Phase 2) Wards 8 & 14	Units Completed 20 (Destitute)	Bad Terrain	Requested Elundini's intervention for access roads, Applied for VO
5JOE GQABI 500-Emergency (20 subs Phase 3) Elundini Ward 5, 6, 14, etc.	Units Completed = 2 (Emergencies)	Bad Terrain	Requested Elundini's intervention for access roads, Applied for VO

Table 63: Elundini Blocked Projects from Human Settlement

Project	Progress	Challenges	Intervention
Mount Fletcher – Enkululekweni 707 (Ward 15)	105 approved beneficiaries to date.	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM
Mount Fletcher – Katlehong 303 (Ward 9)	225 approved beneficiaries to date	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM
Mount Fletcher – Isolomzi 250 (Ward 9)	81 approved beneficiaries to date	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM

Table 64: Planned Projects by Human Settlement

PROJECT	WHY NOT STARTED YET	DATE OF IMPLEMENTATION
Tembeni Housing Project (1164)/2400	<ul style="list-style-type: none"> ✓ Budget Constraints ✓ Land issues & Invasion (Katlhong, IlisoLomzi & Enkulukweni) ✓ Bulk Issues 	2020/2021 Proposed to be inclusive of 3 blocked & increased to 2400 units

Table 65: New Approved Projects by Human Settlement (Not Started = MEC Resolution only)

PROJECT	WHY NOT STARTED YET	DATE OF IMPLEMENTATION
Mbidlana 300 (Ward 17)	Budget/cash flow limitations have prevented the initiation of new projects. Project implementation will occur once Regional Commitments have been reduced.	2019/20 or 2020/2021
Mqokolweni 305 (Ward 6)	Budget/cash flow limitations have prevented the initiation of new projects. Project implementation will occur once Regional Commitments have been reduced.	2019/20 or 2020/2021
Kuebung 290 (Ward 13)	Budget/cash flow limitations have prevented the initiation of new projects. Project implementation will occur once Regional Commitments have been reduced.	2019/20 or 2020/2021

7.4. Progress on Elundini Electrification

Table 66: Electrification Progress

Project Name	Budget	Expenditure Amount	Progress to date
Rural Electrification (Ntushuntushu Village)	5,700,000.00	3,299,221.88	11%
Rural Electrification (Mission Village)	8,970,000.00	6,849,317.66	9%
Rural Electrification (Moroka Village)	5,020,000.00	3,743,314.73	70%
Rural Electrification (Embizeni Village)	1,700,000.00	1,680,629.39	0
Rural Electrification (Castle Rock Village)	980,000.00	647,971.42	0
Rural Electrification (Batlokoa Link Line)	4,250,000.00	2,199,976.32	45%
Makhatlaneng (Intervention project COGTA)	4 000 000	3 118 563.75	92%
Smart Metering	R3,270,351.25	R436,266.25	29%

7.5. Programs by Department of Rural Development and Land Reform

Table 67: Land Acquisition 2018/2019

Farm Name	Property description	Hectares	Proposed Commodity in line with APAP	Program	Estimated Budget for Land Acquisition (As per valuation report or asking price)	District Status	Comments
Snowyside	Portion 1 of Mount Sephton, portion 2 of Rob Roy and remainder of the farm Snowyside No 250	1286.8181	Livestock	PLAS	R5 500 000.00	Valuation	Still waiting for valuation report

Table 68: 1 Household 1 Ha Projects

Farm Name	Property description	Hectares	Proposed Commodity in line with APAP	Program	Estimated Budget for Land Acquisition (As per valuation report or asking price)	District Status	Comments
Mount Fletcher commonage		700	Livestock and crop	Commonage	R 3 000 000.00	Planning	To facilitate the initial meeting
Ugie Commonage		750	Livestock and crop	Commonage	R 2 500 000.00	Planning	To facilitate the initial meeting
TOTAL BUDGET					R 5 500 000.00		

Table 69: Reid Projects: 2017 – 18-19

Farm Name	Property description	Hectares	Proposed Commodity in line with APAP	Program	Estimated Budget for Land Acquisition (As per valuation report or asking price)	District Status	Comments
Elundini FPSU	Mcwangele Agric. Coop, Gqaqhala Project 1 Massive Food Production	120	Crop production e	Agri Park	R 1 550 000.00	R 540 000.00 (Production inputs)	Mechanization could not be done due to late delivery of crop

	and Ezingonyameni Project						production inputs.
Washota and Maclear Recyclers	Maclear	N/A	Non Agric Project	Enterprise Development	R 200 000.00 (Baling Machine for Maclear recycles)	R 000	To be implemented next year due to budget constraints, they will be implemented next year
TOTAL BUDGET					R1 750 000.00	R 540 000.00	

7.6. Electrification program

Table 70: Electrification Backlog

Estimated Outstanding Number of Household Connections	Comments
12 566	GPSing of outstanding historical backlogs to be done by the municipality to consolidate the household numbers

Table 71: Electrification Plan for 2018/2019 by ESKOM

Projects	No. of Connections	Estimated Costs	Villages (Based on available funding)
Batlokoa 03	100	R 2 350 000. 00	Gwaleni B
Batlokoa 03 Link Line		R 1 960 000. 00	
Amahlubi 02	1 035	R 24 322 500. 00	Madubou, Makoatlana, Makoatlane, Mjikweleni, Diphofung, Stabataba, Phirintsu, A & B, Zanyeni & Gxojeni
Amahlubi 02 Line Line		R 3 920 000. 00	
Elundini Phase 3	41	R 705 000. 00	Nkolosane
Elundini Phase 3 Link Line		R 1 120 000. 00	
Elundini Phase 4	572	R 11 750 000. 00	Njaboya, Magedla, Plazini, Katkop, Chevy-chase A & B
Elundini Infills	1 062	R 5 310 000. 00	Growth in already electrified areas
Elundini Pre-engineering		R 981 780. 44	Pre-planning
TOTAL		R 49 712 790. 44	

7.6.1. Electrification Program by Department of Energy

Electricity Funding Initiatives

The Department of Energy (DoE) through SANEDI has commenced the Smart Grid program for which ELM has been selected as a participant in the EU Donor Funded Smart Grid program. It is the intention of the program to implement innovative, intelligent, interactive and improved solutions that will also take other components of the Smart Grid program into consideration, though in a limited way. ELM made a request to implement the Smart Metering and Advance Asset Management for Electrical Infrastructure projects. These two projects were proposed

in order to address the high level of financial losses due to technical/non-technical losses. Many electricity assets are nearing their end of life. There is therefore a need to provide efficient and stable electricity to the citizens of Elundini in order to promote economic growth and reduce unemployment.

In brief, a Smart Grid is a modernised electrical network grid that uses two-way information and communications technology to gather and act on information, such as information about the behaviour of suppliers and consumers, in an automated fashion to improve the efficiency, reliability, economics, and sustainability of the production and distribution of electricity.

Funding Projects Identified

Grants for refurbishment of electrical distribution infrastructure.

Most electrical distribution infrastructure is in urgent need of refurbishment or replacement. National government has in the past provided funding through the ADAM (Approach to Distribution Asset Management) project to municipalities to carry out this refurbishment. It is understood that funding may again be available for this purpose. The plan is to conduct a condition assessment and audit of all the distribution infrastructure. Develop a business plan for the refurbishment and replacement of the infrastructure and source funding from the department of energy.

Grants for Solar Water Heating supply and installation.

Funding exists nationally for the installation and maintenance of low pressure solar water heating systems (SWH). The SWH have been procured through a National process and are currently in storage. ELM is one of the first municipalities to apply for this installation and maintenance funding. A full audit of households needs to be completed and a business plan submitted to the Central Energy Fund, that is administering this project on behalf of the Department of Energy. This process is currently underway.

Smart Grid

The plan is to maximize the use of the existing infrastructure e.g. high mast, street lights, high sites etc. to minimize the capital cost of new infrastructure. This project would seamlessly fit into National and Provincial Governments program to provide broadband to all communities. It is understood that very little fibre networks exist within the municipality. It is therefore envisaged to provide communications through wireless networks like GSM and Wi-Fi. This technology has been piloted successfully within some metros.

- a) The following services will be provided through the smart grid project:
- b) Provide a communication network access between the various departments within the municipality.
- c) Establishment of an electrical control room and communication between the electrical infrastructure and controllers to ensure efficient operation of the network.

- d) Use the spare capacity on the communication network to provide broadband Wi-Fi to schools, clinics and communities.
- e) Pilot the use of electric mobility vehicles charge through renewable energy.
- f) Allow real time connectivity to electrical and water meters, thus reducing technical and non-technical losses on the systems

Integrated National Electrification Program Grant

The municipality currently benefits from funding through INEP. The allocation have seen a decrease over the years, mainly due to funding constraints within the fiscus. Current allocations do not provide sufficiently for the needs of the communities there is a need to develop additional business plans and source additional funding for these needs.

Smart Grid initiatives and related broadband technologies enabling ELM to transition towards a smart city.

The implementation of smart grids would provide real time communication between various devices in the utilities infrastructure and provide solutions for Wi-Fi and broadband to underprivileged communities. Funding is required to implement proof of concept for smart city initiatives and to prepare business plans for Smart Grid Initiatives.

Energy Efficiency and Demand Side Management on Municipal Infrastructure.

A desktop audit of the main municipal buildings and public lighting infrastructure was completed. This information was used to complete funding application for Energy Efficiency and Demand Side Management. This application was successful and the municipality has received confirmation from the Department of Energy. All main buildings and public lighting will be retrofitted with the latest energy efficient technologies. This project will be carried out in phase over the next 3 years through a total indicative allocation of 21 Million that has been allocated over the MTEF.

Off grid and all other renewable energy projects

The department of energy has indicated that a pilot project is about to be initiated that seeks to provide alternate cooking and heating energy sources for households that have no access to formal electricity. It is envisaged that LPG with relevant canisters be provided to qualifying households. Gas will be refilled on a bi monthly basis until formal electricity is provided to the households. The Department of Energy has allocated funding that will see the realization of installation of 5000 solar water heaters being installed in low cost housing designated installation areas within the municipality. During the 2017/18 financial year, DOE initiated a program for the installation of solar PVs within Ward 14, 4 and 3 which saw over 1100 households benefiting. The department will continue with the installations to identified beneficiaries even into the 2018/19 financial year.

7.7. Projects/Programs by the Department of Social Development

Table 72: Directorate: ECD and Partial Care 2018/2019

AREA OFFICE	LOCATION (PHYSICAL ADDRESS OF THE ORGANISATION)	WARD	FACILITY NO	PROJECT NAME	PURPOSE	Max Cap	RATE	DAYS	ECD PROGRAM ALLOCATION
Mt Fletcher	Siqhobobong Village (Mt Fletcher)	13	8978	Bakwena Pre School	Day Care	35	15	237	124 425
Mt Fletcher	Isolomzi Village (Mt Fletcher)	9	1500	Bongani Pre School	Day Care	35	15	237	124 425
Mt Fletcher	Ugie Park Location (Ugie)	17	9066	Ekuphumleni Pre School	Day Care	45	15	237	159 975
Mt Fletcher	Hlankomo Village (Maclear)	16	2073	Eluxolweni Pre School	Day Care	20	15	237	71 100
Mt Fletcher	Esidikidini Village (Maclear)	3	1513	Esidikidini Pre School	Day Care	30	15	237	106 650
Mt Fletcher	Nyibibeni Village (Ugie)	1	9561	Ikhwezi Lomso	Day Care	30	15	237	106 650
Mt Fletcher	Land Camp Location (Ugie)	2	9064	Khanyisa Creche	Day Care	40	15	237	142 200
Mt Fletcher	Ntokozweni Location (Ugie)	2	366	Kuyasa Creche-Pre-School	Day Care	30	15	237	106 650
Mt Fletcher	Xaxazana Village (Mt Fletcher)	10	9152	Lingelihle Day Care	Day Care	20	15	237	71 100
Mt Fletcher	Mandela Park Location (Ugie)	2	1736	Lonwabo Creche	Day Care	46	15	237	163 530
Mt Fletcher	Farview Village (Mt Fletcher)	10	1517	Masiphathisane Pre-School	Day Care	20	15	237	71 100
Mt Fletcher	Elubisini Village (Mt Fletcher)	11	1501	Ncedanani Pre School	Day Care	20	15	237	71 100
Mt Fletcher	Sonwabile Location (Maclear)	3	1511	Nonkqubela Pre School	Day Care	40	15	237	142 200
Mt Fletcher	Xaxazana Village (Mt Fletcher)	11	1515	Noxolo Pre School	Day Care	25	15	237	88 875
Mt Fletcher	Vincent Park Location (Maclear)	3	60	Noxolo Pre-School	Day Care	30	15	237	106 650
Mt Fletcher	Peter Mokaba Location (Maclear)	3	1522	Peter Mokhaba Pre School	Day Care	30	15	237	106 650
Mt Fletcher	Moroka Village (Mt Fletcher)	8	1514	Phaphamang Pre School	Day Care	30	15	237	106 650
Mt Fletcher	Kinira Poort A/A (Mt Fletcher)	12	13192	Thusanang Pre-School	Day Care	20	15	237	71 100
Mt Fletcher	Vuvu Village (Mt Fletcher)	15	1506	Sicelinceba Pre School	Day Care	40	15	237	142 200
Mt Fletcher	Mathafeni Village (Mt Fletcher)	10	775	Sinethemba Pre School	Day Care	25	15	237	88 875
Mt Fletcher	Ngaqangana Village (Mt Fletcher)	10	524	Siyabulela Pre School	Day Care	25	15	237	88 875
Mt Fletcher	Ngcele Village (Maclear)	5	9571	Siyazama Pre-School	Day Care	25	15	237	88 875
Mt Fletcher	Moroka Village (Mt Fletcher)	8	9570	Tshepang Pre-School	Day Care	30	15	237	106 650
Mt Fletcher	Ngqayi Village (Maclear)	7	61	Tswelopele Day Care	Day Care	20	15	237	71 100
Mt Fletcher	Ngcele Village (Maclear)	6	9569	Vusisizwe DCC	Day Care	20	15	237	71 100
Mt Fletcher	Isolomzi Village (Mt Fletcher)	9	9150	Vuyolwethu Day Care	Day Care	35	15	237	124 425
Mt Fletcher	Ugie Park (Ugie)	2	9096	Vuyolwethu Educare Centre	Day Care	45	15	237	159 975

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Mt Fletcher	Kat Kop Village (Maclear)	7	9702	Etyeni Pre-school	Day Care	20	15	237	71 100
Mt Fletcher	Bekela Location (Ugie)	2	9869	Skhathalele Pre-school	Day Care	27	15	237	95 985
Mt Fletcher	Koebong Village (Mt Fletcher)	13	9867	Slovo Preschool	Day Care	25	15	237	88 875
Mt Fletcher	Luzie Village (Mt Fletcher)	8	9868	Rathato Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Mdeni Village (Maclear)	7	9870	Frank Moshesh Preschool	Day Care	25	15	237	88 875
Mt Fletcher	Thinana Village (Mt Fletcher)	11	9913	Vuyisanani Preschool	Day Care	25	15	237	88 875
Mt Fletcher	Polokoe Village (Mt Fletcher)	12	9914	Katlehong Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Kutloanong Village (Mt Fletcher)	9	9945	Zusakhe Creche	Day Care	20	15	237	71 100
Mt Fletcher	Ethembeni Village (Mt Fletcher)	9	9915	Masimanyane Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Magedla Village (Maclear)	16	10042	Magedla Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Sinxako Village (Maclear)	6	10047	Sifundise Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Lower Tsitsana Village (Maclear)	4	10045	Mandingasali Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Matuguru A/A (Maclear)	4	13415	Masilinge Preschool	Day Care	20	15	237	71 100
Mt Fletcher	Upper Sinxako Village (Maclear)	6	10647	Samkele Pre School	Day Care	20	15	237	71 100
Mt Fletcher	Dengwane Village (Mt Fletcher)	11	10644	Noluzuko Pre-school	Day Care	25	15	237	88 875
Mt Fletcher	Mashata Village (Mt Fletcher)	13	10646	Ikaheng Pre-school	Day Care	25	15	237	88 875
Mt Fletcher	Siqhungqwini Village (Maclear)	6	10801	LD Mabandla Pre -school	Day Care	20	15	237	71 100
Mt Fletcher	Khalatsu Village (Mt Fletcher)	15	11353	Itikeng Pre-School	Day Care	20	15	237	71 100
Mt Fletcher	Nkalweni Village (Ugie)	17	11355	Sinethemba Pre -School	Day Care	20	15	237	71 100
Mt Fletcher	Makhatlanyeng Village (Mt Fletcher)	8	11685	Phumolong Pre-school	Day Care	20	15	237	71 100
Mt Fletcher	Katkop Village (Maclear)	7	11930	Thokozani Pre-school	Day Care	20	15	237	71 100
Mt Fletcher	Mtshezi Village (Maclear)	5	727	Sikhokhele Pre-school	Day Care	38	15	237	135 090
Mt Fletcher	Upper Sinxako Village (Maclear)	6	552	Sivelele Pre-school	Day Care	38	15	237	135 090
Mt Fletcher	Somerville Village (Maclear)	6	579	Somerville Pre-school	Day Care	24	15	237	85 320
Mt Fletcher	St Augustines Village (Maclear)	5	633	St Augustines Pre-school	Day Care	36	15	237	127 980
Mt Fletcher	Ncembu Village (Ugie)	1	8961	Lukhanyo Pre-school	Day Care	35	15	237	124 425
Mt Fletcher	Setaka Village (Mt Fletcher)	12	12387	Ipopeng Pre-school	Day Care	20	15	237	71 100

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Table 73: Directorate: ECD and Partial Care: New ECD 2018/2019

AREA OFFICE	LOCATION (PHYSICAL ADDRESS OF THE ORGANISATION)	WARD	FACILITY NO	PROJECT NAME	PURPOSE	Max Cap	RATE	DAYS	ECD PROGRAM ALLOCATION
Mt Fletcher	Mbindlana Village (Mt Fletcher)	17	12869	Zukisani Pre-School	Day Care	20	15	237	71 100
Mt Fletcher	Bhekela Township (Ugie)	2	12868	Sonwabise Pre-School	Day Care	20	15	237	71 100
Mt Fletcher	Ngcele Village (Maclear)	5	12886	Hlalanathi Pre-School	Day Care	20	15	237	71 100
Mt Fletcher	Mpharane Village (Mt Fletcher)	10	12870	Latatsebo Pre-School	Day Care	20	15	237	71 100

Table 74: Directorate: Care & Support to people with disabilities 2018/2019

Name of Organisation	Beneficiaries	Area Office	Ward	Location	Local Municipality	Facility Type	Sub-Program	Recommended Amount
Mt Fletcher Cheshire Home	20	Mt Fletcher	9	Solomzi location	Elundini	Residential Home for Children with disabilities	Services to People with Disabilities	R 423 360
Cheshire Home Welfare Organisation	1	Mt Fletcher	9	Solomzi location	Elundini	Welfare Organisation	Services to People with Disabilities	R 168 140

7.8. Projects/Programs by the Department of Sport, Recreation, Arts and Culture

Table 75: Program: Arts and Culture

DATE	EVENT	BUDGET	VENUE	STAKEHOLDERS	RESPONSIBILITY& CONTACT PERSON	PARTNERSHIP
October 2018	Indigenous Music Research	R40 000	(Senqu, Elundini, Walter Sisulu)	CCIFSA	Performing Arts and Language Assistant Manager	ECAVC
November 2018	Product development workshop	R93 500	Mt Fletcher	Joe Gqabi Visual Arts and Craft	Performing Arts and Language Assistant Manager	Elundini LM Owezandla Crafts and Mt Fletcher Craft Centre

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February 2019	District language awareness seminar (Setlokwa)	R47 000	(Sterkspruit and Mount-Fletcher	Houses of Traditional Leaders and Writer's	Assistant Manager Performing Arts and Language	PANSALB
GRAND TOTAL		R1 449 000				

Table 76: Program: Museums and Heritage

DATE	EVENT	BUDGET	VENUE	STAKEHOLDERS	RESPONSIBILITY& CONTACT PERSON	PARTNERSHIP
September	Heritage day celebrations build-up	R85 000	Mt. Fletcher	Gov Depts., Veterans, Political parties	Assistant Manager- Museums & Heritage Services -	House of traditional leaders, community organizations, district and local municipalities
April2018- March 2019	DGNC – Public hearings	R20 000	All LMS	DGNC, heritage structures LM's	Assistant Manager- Museums & Heritage Services -	House of traditional leaders, community organizations, district and local municipalities
GRAND TOTAL		R105 000				

Table 77: Program: Libraries and Information services

DATE	EVENT	BUDGET	VENUE	STAKEHOLDERS	RESPONSIBILITY & CONTACT PERSON	PARTNERSHIP
April2018- March 2019	Library subsidies	R 750 000	Elundini	Government Departments, Councilors, Educators, Learners, and community members	Assistant Manager- Libraries & Information Services-	Local municipalities, traditional authorities, sector departments

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Sept 2018	Literacy Day celebration	R73 000	Elundini Municipality	Government Departments, Councilors, Educators, Learners, and community members	Assistant Manager- Libraries & Information Services-	Local municipalities, sector departments
GRAND TOTAL		R 823 000				

Table 78: Program: Recreation

DATE	EVENT	BUDGET	VENUE	RESPONSIBILITY& PERSON	CONTACT	PARTNERSHIP
05 May 2018 10 August 2018	Support Public Sector Sport Leagues District Trials: Soccer, Netball Volley ball, Chess, Morabaraba Juskskei Tug of war, Lawn tennis, Table tennis Pool table, Darts)	R80 000	Aliwal North / Mount Fletcher/Sterkspruit Aliwal North	Assistant Manager Rec. Dev. S.V.Sopazi		Private companies, insurance companies, Local municipalities, Museums, Departments
28 April 2018 21 July 2018	Support Health & Fitness training- & Festivals	R55 000	Mt. Fletcher, Mt. Fletcher	Assistant Manager Rec. Dev. S.V. Sopazi		Aerobic local Clubs
30 June 2018	Support Horse Riding & Racing Festival-	R120 000	Elunyaweni	Assistant Manager Rec. Dev. S.V. Sopazi		Horse racing Structure
23 November 2018	Support Good Will Games(Sanlam):		Aliwal North / Mount Fletcher/Sterkspruit	Assistant Manager Rec. Dev. S.V. Sopazi		Private companies, insurance companies, Local municipalities, Museums, Departments

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GRAND TOTAL	R 255 000			
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Table 79: Program: Siyadlala

DATE	EVENT	BUDGET	VENUE	RESPONSIBILITY& CONTACT PERSON	PARTNERSHIP
May 2018	Coordinate recruitment of Youth Camp participants in the District-	R80 000	All local (Walter Sisulu /Senqu & Elundini) Municipality	Private companies, insurance companies, Local municipalities, Museums, Departments	Love Life Department of Education
December 2018	Coordinate District Big Walk	R20 000	Mt. Fletcher	Aerobic local Clubs	
Aug 2018	Coordinate local and District Golden Games festival:	R30 000	Mt. Fletcher	Assistant Manager Rec Dev S.V.Sopazi	Local municipalities, SOCDEV
Apr – June 2018	Coordinate Recreation hub festivals:	R120 000	Ncembu	Assistant Manager Rec Dev S.V. Sopazi	Local municipalities, Hub Coordinators
Apr - Jun 2018 Jul - Sep 2018	Coordinate Indigenous Games training in 4 hubs	R20 000	Maclear Ugie	Assistant Manager Rec Dev S.V. Sopazi	Local municipalities, Indigenous Games Structure
Jul - Sep 2018 Oct - Dec 2018 Jan - Mar 2019	Support hubs with sport equipment and attire	R270 000	All LMS	Assistant Manager Rec Dev S.V.Sopazi	Local municipalities,
GRAND TOTAL		R 540 000			

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Table 80: Program: Sport Development

DATE	EVENT	BUDGET	VENUE	RESPONSIBILITY& CONTACT PERSON	PARTNERSHIP
April 2018	Elundini Road Race	R 39 000,00	Ugie	Assistant Manager: Sport Development- Mr. S.M. Mashalaba	Elundini Municipality, Elundini Sport Council & Elundini Municipality
June 2018	District Youth Tournament	R80 000,00	Maclear	Assistant Manager: Sport Development- Mr. S.M. Mashalaba	Elundini Sport Council, SAFA, Drakensberg Referees, BKB & PG Bison
August	District Women's Rugby tournament	R40 000,00	Elundini	Assistant Manager: Sport Development- Mr. S.M. Mashalaba	Elundini Sport Council, Rugby federation Elundini Municipality
September 2018	Esihungqwini Development Tournament	R 80 000,00	Maclear	Assistant Manager: Sport Development- Mr. S.M. Mashalaba	Elundini Sport Council, House of Traditional Leaders, Somerville Trust Fund, Esihungqwini Community
GRAND TOTAL		R 540 000			

Table 81: Program: Club Development

DATE	EVENT	BUDGET	VENUE	RESPONSIBILITY& CONTACT PERSON	PARTNERSHIP
01 April 2018 to 31 March 2019	Support hosting of federation leagues in: rugby, football, netball, athletics, cricket, swimming, table tennis and boxing	R898 000	All LMS	Assistant Manager: Sport Development	Federations and Sport Confederation
GRAND TOTAL		R 540 000			

Table 82: Program: Mass Participation

DATE	EVENT	BUDGET	VENUE	STAKEHOLDERS	RESPONSIBILITY& CONTACT PERSON	PARTNERSHIP
August 2018	Mega Top Schools Tournament – Summer Games	180 000 District & Province	Mt. Fletcher District	Joe Gqabi School Sport Code Structures	Assistant Manager – School Sport	DOE

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August 2018	Provincial Cross Country Competitions (80)	DoE	Mt. Fletcher	Joe Gqabi School Sport Code Structures	Assistant Manager – School Sport	DOE
October 2018	School Sport leagues Aliwal North Athletics Spring Challenge	88 000	All Circuits	Joe Gqabi Circuit Structures	Assistant Manager – School Sport	DOE
May 2018	Basic Sports Administration	Head office	Mt. Fletcher	Joe Gqabi School Sport Code Structures	Assistant Manager – School Sport	DOE
September 2018 September 2018	Code Specific Training in Soft ball & Netball	Head office	Mt. Fletcher Maclear	Joe Gqabi School Softball & Netball Structures	Assistant Manager – School Sport	DOE
Feb 2019	Fundamental Principles of Sport	Head office	Mt. Fletcher	Joe Gqabi School Sport Code Structures	Assistant Manager – School Sport	DOE
Apr-June 2018 Sept 2018	Facilitate the procurement and distribution of equipment and playing attire	Head office	Joe Gqabi Schools	Principals	Assistant Manager – School Sport	DOE
GRAND TOTAL		R 682 000				

7.9. Projects by the DEDEAT

Table 83: DEDEAT Projects

PROJECT	SECTOR	AMOUNT
Ntonjana Sewing Co-Op	Manufacturing	R250 000.00
Ulundi Steel Co-Op	Manufacturing	R500 000.00
Mafati Agricultural Co-Op	Agriculture	R295 000.00
Elundini Shearing Shed	Agriculture	R500 000.00

7.10. Projects/Programs by the Department of Rural Development and Agrarian Reform

Table 84: DRDAR Projects

INFRASTRUCTURE				
Commodity	Project Name	Ward	Description of project/program (e.g. activities/commodities)	Total cost of project
Maize	Lower Ngxaza	5	Erection of Arable Land Fencing (2.779 Km) In Communal Area For The Production Of Maize	R 210 000
	Mboniseni	2	Erection of Boundary Fencing (4.950 Km) on Land Reform Farm Producing Maize and Red Meat	R 395 000
	Sondernaam	4	Construction of a Multipurpose Shed (Storage Facility) with holding Kraals and Shearing equipment on a privately owned farm producing maize and wool	R 850 000
TOTAL				R 1 455 000
Red Meat	Colon PTN 3	8	Erection of boundary and internal fencing (27.458 Km) on Land Reform Farm producing red meat	R 890 000
	Bisset Vrede	8	Erection of boundary fencing (13.432 Km) on Land Reform Farm producing red meat	R 468 000
TOTAL				R 1 358 000
Live stock	Chevy Chase Land Care		Supply and delivery of fencing material for 6 km of fencing of eradicated rangeland areas	R 275 000
TOTAL				R 275 000
GRAND TOTAL				R 3 088 000

7.11. Joe Gqabi District Municipality – 3 Year Infrastructure Plan (2019/20 – 2021/22)

Table 85: Joe Gqabi Three Capital Plan

N o.	PROJECT NUMBER	PROJECT NAME	PROJECT SCOPE	WORK OPPORTUNITIES TO BE CREATED	PROJECT TYPE: WATER SANITATION ROADS SOLID WASTE. STREET LIGHTING. PUBLIC MUNICIPAL SERVICES	Project Status for example Not yet registered Design and Tender Construction indicate for any status	APPROVED BUDGET	SOURCE OF FUNDING	BUDGET IMPLICATION	Projected Expenditure for 2019/20(Revised) (Incl. VAT)	Projected Expenditure for 2020/2021 (Incl. VAT)	Projected Expenditure for 2021/2022 (Incl. VAT)
		MIG										
1	W/EC/10960/14/18	Prov. of Bulk Water Infrastructure for the Town of Ugie Phase B	Construction of Ugie Dam, 3 storage reservoirs, upgrading of WTW and reticulation in Ugie, in order to provide raw water storage	60	Water	Tender	R 143 188 982	MIG	CAPITAL	R 4 000 000	R 7 000 000	R 0

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			to supply Ugie and possibly supply Maclear. Increase water supply for Ugie									
5	S/EC/142807/16/18	Elundini Rural Sanitation Programme: Phase 4&5	Construction of VIP toilets in Elundini LM to address the sanitation backlog	100	Sanitation	Construction	R 46 139 223	MIG	OPERATIONAL	R 25 000 000	R 15 000 000	R 13 259 950
6	W/EC/14718/17/23	Elundini Rural water Programme (ORIO)	Construction of Water supply infrastructure (Reservoirs, Break Pressure Tanks, Borehole pump houses, Spring Protections, pipework) for 107 villages in Elundini to address water historic backlog	500	Water	Tender	R 143 813 803	MIG	CAPITAL	R 10 024 600	R 16 000 000	R 0

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8	W/EC/12333/11/18	Maclear Water Treatment & Distribution Upgrade (WTW & AC Pipe Replacement)	Construction of new 6ML WTW in Maclear and Replacement of old AC pipeline in Maclear CBD to address to the water shortage to Maclear	50	Water	Tender	R 226 644 753	MIG	CAPITAL	R 0	R 0	R 96 000 000
9	S/EC/14280/16/18	Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Construction of Bulk sanitation pipeline from town pump station to the WWTW as part of Sanitation infrastructure scheme to provide water borne sanitation to Maclear	30	Sanitation	Tender	R 60 447 551	MIG	CAPITAL	R 0	R 0	R 49 000 000

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12	NR	Upgrading of Sanitation Services for Ugie	Provision of waste water infrastructure (Pump station, sewer lines and WWTW) in order to do away with old dilapidated communal septic tanks	30	Sanitation	Planning	NR	MIG	CAPITAL	R 5 000 000	R 25 000 000	R 0
		TOTAL								R 44 024 600	R 63 000 000	R 158 259 950
		WATER SERVICES INFRASTRUCTURE GRANT (WSIG)										
		DC14_P10162 -101_District Wide Telemetry System			Water	Implementation	15 000 000,00	WSIG	CAPITAL			
		DC14_P10162 -102_Rural Rudimentary Water Supply			Water	Planning	5 000 000,00	WSIG	CAPITAL			
		DC14_P10162 - 103_Refurbishments of WTWs			Water	Implementation	5 000 000,00	WSIG	CAPITAL			
		DC14_P10162 - 104_Argumentation of Clear Water Storage for Herschel and Rhodes			Water	Planning	7 000 000,00	WSIG	CAPITAL			

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		DC14_P10162 -105_Acquire Bulk Meters			Water	Tender	7 000 000,00	WSIG	CAPITAL			
		TOTAL								R 0	R 0	R 0
		MUNICIPAL DISASTER RECOVERY GRANT (MDRG)										
		Rehabilitation of JGDM Storm Damaged Roads	The funding is for repairs of damage district roads structure s	30	Roads	Planning	R 60 733 000	MDEG	CAPITAL	R 60 733 000	R 0	R 0
		TOTAL								R 60 733 000	R 0	R 0

8. SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN

8.1. Introduction

In accordance with the outcomes of the latest assessment conducted as part of the mid-term review for the 2018/2019 financial year in accordance with the provisions of section 72 of the Municipal Finance Management Act, the ELM remains financially sustainable and is able to meet its financial commitments.

Significant reforms within the adoption of new accounting standards, being Generally Recognised Accounting Practice (GRAP), coupled with significant reforms within Municipal Budgeting and Reporting Regulations has significantly enhanced the credibility, sustainability, transparency, accuracy and reliability of financial planning, management and reporting within the ELM

In meeting the demands associated with modernised practices towards sustaining and enhancing financial viability; and addressing the specific needs of ELM within the context of limited resources and mounting service delivery expectations, has necessitated that a comprehensive integrated approach towards financial sustainability be developed.

In terms of the approach adopted, the report will clearly define financial risks which have been identified as being a financial threat to the long termed sustainability of the Organisation, linked to key challenges, with a detailed focus on effective strategies employed to mitigate against financial threats and weaknesses, concluded by a detailed analysis of the service delivery package and associated financial implications on the operations, statement of financial position and cash flows for the MTREF which collectively aims to position ELM on a sustainable approach to service delivery.

8.2. Financial risks and key challenges

In order to maintain and improve on the financial efficiencies and position of ELM, certain risks need to be managed, while financial management practices need to be continuously improved.

The key financial risks confronting the Municipality can be summarised as follows:

- 1) Limitation on Revenue Raising Capacity due to high poverty indices;
- 2) Maintaining existing collection levels and arresting the debt composition associated with Low level Service Offerings;

- 3) Financial Distress- ratio analysis- specific on Working capital elements - containment of costs within set benchmarks as established within the budget process;
- 4) The escalation of electricity costs due to tariff increases imposed by Eskom and the effect on affordability and non-payment levels;
- 5) Deficit position associated with trading services
- 6) Electricity distribution losses estimated in excess of 20%
- 7) Increases associated with deferred maintenance and backlog eradication;

8.2.1. Key Challenges

- i. Maintaining an unqualified audit opinion, and achieving a clean audit by 2019;
- ii. Affordability of a desired Organisational Structure;
- iii. Reducing overall cost exposure, maximise productivity and enhance revenue streams;
- iv. The need to improve customer care functioning;
- v. The need to ensure legal compliance through all procedures and programmes;
- vi. Recurring under spending of the capital budget;
- vii. % Capital budget allocations to refurbishment of existing infrastructure;
- viii. Deficit position of trading services operations

8.3. Financial Strategies

The Financial Strategy has been formulated to ensure that the ELM maximises all available opportunities that would enhance Councils financial strength especially considering the cost-shift environment that has been created with the implementation of assigned powers and functions.

Council's overall Financial Strategy is structured into the following core components to allow for a clearer understanding of the overall task:

- a) Revenue enhancement and maximisation Strategies
- b) Asset Management strategies
- c) Financial Management Strategies
- d) Capital Financing Strategies
- e) Operational Financing Strategies
- f) Supply Chain Management turnaround Strategy
- g) Cost Containment Strategies
- h) Free Basic Services and indigent Support

These segments are intended to provide operational guidance to staff to assist them in achieving identified objectives and goals.

Importantly the Strategies formulated are deemed to be primary mitigating tool against the financial risks identified, and giving effect to the objectives of the Integrated Development Plan, through ensuring that the performance targets as per the Budget underlying the IDP are achieved. The strategies are premised on ensuring compliance with adopted financial policies, modelled on modernised reform practices applicable to Local Government.

8.3.1. Revenue Enhancement and Maximisation Strategy

The purpose of this strategy is to ensure that all possible avenues are explored to maximise the receipt of any monies available to Council by way of intergovernmental transfers and Grants or Donations, including expanding the billing database and maximising income opportunities on every registered serviced site within the LM's jurisdiction.

The second component of this strategy focuses on strengthening and building capacity within credit control and debt management practices and processes of Council, ensuring the attainment and exceeding of collection rates in line with key budgetary requirements.

The third component of the strategy focuses on maximising the registration of households eligible for participation within the Free Basic Services programme of Council, this component is aimed at arresting spiralling debts associated with this user group, and limiting consumption of services in line with the FBS allocation threshold.

In line with the strategy employed, Council has formalised the appointment of a Specialist Service Provider on a contingency arrangement over three years to undertake revenue enhancement and debt reduction, with a special focus on skills transfer to a dedicated internal unit that will be created during this financial year.

The success of this programme has been profound, in that the organisation has effectively been able to sustain collection rates in excess of 80% in line with budget expectations over the Medium Term Revenue Expenditure Framework.

Financial performance as per the adopted mid termed assessment reveals that the organisation is poised to achieve the anticipated revenue inflows underpinning the budget framework adopted, being a minimum of 95%.

The additional revenue inflows beyond planned performance has provided significant impetus to funding additional programmes to enhance service delivery offerings e.g. Outsourcing of the solid waste management site within Ugie estimated at R 2.7 Million per annum.

The targeted debt collection rate over the MTREF is positioned at 95%, increasing to 100%, and 100% respectively.

8.3.2. Subsidies and Grants

In order for ELM to obtain maximum benefit from external monies available, a policy laying out the relevant procedures has been put in place within the Institution to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times. The policy will ensure that Council receives maximum benefit from external funding available.

The ELM has entered into a Service Level Agreement with the Department of Roads and Public works, whereby the ELM undertakes road construction and maintenance activities on District Roads, the Revenue Inflows associated with this activity is estimated at R 6 Million over the MTREF.

The Municipality has prioritised an initiative to appoint a funding agent over the MTREF to conclude business plan development and applications through various government funding agents.

Capital Transfers- MTREF Elundini LM

In terms of the DORA the indicative allocations as defined within table A4 clearly defines that over the MTREF Elundini LM will receive R 118.1 Million prioritised for road infrastructure.

IN-KIND ALLOCATIONS

Eskom's electrification program funded through the Integrated National Electrification Grant (INEG) will see R 152.7 million being invested over the MTREF within Elundini service area to address inherent service delivery backlogs.

8.3.3. Administration Fee Policy

The Administration Fee Policy has been updated to address the needs of Council with regards to administration of contracts on behalf of third parties. Importantly, this component will result in R 60.2 Million being appropriated to own revenue over the MTREF from conditional grants held within the Organisation.

8.3.4. Credit Control and Debt Collection Policy

The Policy sets out to control and manage the recovery of outstanding debt due to Council. This policy is in place and is subject to regular updates. The policy lays down the basis for distribution of accounts, collection procedures, interest and

penalties to be charged in the event of non-payment, with strong focus on management reporting requirements pursuant of key legislative requirements and performance management.

Giving effect to the administration of this policy, Council through the appointment of a revenue specialist has invested in a Revenue Management and Debt collection System fully compliant with Municipal Bylaws and objects of the policy framework, the system effects have result in macro approach to debt management and collection being effected, in an effective and efficient manner, maximise the return on investment and per household.

8.3.5. Tariff Policy

This policy sets key guidelines on what should be considered when pricing services and guiding principles for the compilation of water, sanitation, solid waste and electricity tariffs. This policy is subject to constant review, given significant reforms within the electrification and water sectors, which impact on the price cost of services rendered, and ultimately on the sustainability of trading services.

Through the policy framework adopted and implemented, Council has for the MTREF prioritised the continuation of the revenue protection strategy employed during the current financial year to further reduce existing losses of 25% to an acceptable technical loss of 10%.

8.3.6. Asset Management Strategies

The purpose of the strategy is to optimise the use of all assets under the control of Elundini Local Municipality, given the financial exposure and the revenue streams earned by the Municipality in the rendering of services to the community. Due to the strategic importance that the entire asset base presents around the continued viability of the organisation R 178.4 million will be invested over the MTREF in capital expansion programmes.

8.3.7. Asset Management Policy

This policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The policy is in place and is subject to regular review. The prime objectives of the policy are to ensure that the assets of Elundini are properly managed and accounted for by:

- a) Ensuring the accurate recording of asset information
- b) The accurate recording of asset movements
- c) Exercising strict control over all assets
- d) Providing correct and meaningful management information
- e) Compliance with Council's Insurance Policy and Payment Procedure
- f) Effecting adequate insurance of all assets

g) Maintenance of Council's Assets

The implication of this policy on the administration and planning of assets has been profound, in that the organisation has a comprehensive understanding of all assets under the Management Control of the Municipality, has an acute understanding of the conditions and remaining lifespan etc. of the asset base, all of which are aimed at ensuring that sound financial planning occurs, especially around investment choices and reserve creation to safe guard against ageing infrastructure; the Funding and Reserves policy is directly influenced through the outcomes of the annualised conditional assessment on all infrastructural assets.

The Municipality likewise has incurred losses of less than R50 000 due to theft of assets over the preceding financial year, all of which we subject to insurance claims; all assets have been adequately verified and accounted for in line with GRAP requirements, and has received no negative audit reports in this regard.

It is envisaged that strict adherence to policy framework will continue to be applied in order to protect the resource of the community, and ensure the continued viability of the Municipality.

8.3.8. Asset Movement System

At the time of commissioning a GRAP compliant Asset Register, an asset tracking system using bar-coded discs and scanners was put in place. With the completion of the Asset Register, the asset tracking system is now fully operational. The system allow for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register. Asset verifications are undertaken twice a year for purposes of validating the existence and proper recording of all assets; all assets not accounted for are thoroughly investigated and reported to Council.

8.3.9. Financial Management Strategies

The purpose of this strategy is to ensure that the Financial Systems in place at Elundini Local Municipality are of such quality to allow for the generation of accurate and timely reporting at all times. The Strategy has culminated in the institution being able to effectively make informed decisions around service delivery, identify financial risks and impeding financial problems, through having an acute understanding of the financial affairs of the Municipality, through a simplified qualitative analysis being provided based on the in-year reports focusing on budgeted performance(revenue, expenditure, capital); impact of the trading activity on the financial position and cash-flows within the Organisation, this is in compliance with international standards on in year reporting.

8.3.10. Supply Chain Management Turnaround Strategy

The Municipality has during the course of the financial year implemented a comprehensive SCM turnaround strategy aimed at significantly enhancing overall compliance with SCM regulations and addressing internal control deficiencies addressed within the last year's audit report issued by the Auditor-General, whilst improving significantly on operational efficiencies aimed at promoting quicker turnaround times and improving overall internal and external client satisfaction.

This strategy has been hailed a success as evidenced by the fact that the organisation for the audited financial year received less findings relating to SCM processes.

Importantly the turnaround strategy employed has seen the creation of a fully-fledged SCM unit fully compliant with SCM regulations, reporting to the office of the Chief Financial Officer.

The organisational structure has been redesigned to ensure logical arrangement of critical functions overseen by the Supply Chain Manager, and is segmented into the following core functional areas, namely:

- Demand and Acquisition Management
- Bid Administrations and Contracts Management
- Logistics Management
- Disposal Management

In terms of the systems of delegations adopted, the Municipality currently uses a fully functional bid committee system that regulates all competitive bids ranging from R 200 000

In terms of the committee system in use, three distinct committees are in existence, each comprising of specialists within various fields that assist in the discharge of roles and responsibilities assigned, the committees system in use comprise the following:

- ✓ Bid Specifications Committee
- ✓ Bid Evaluation Committee
- ✓ Bid Adjudication Committee

The Chairmanship of all bid committees are highly regulated and all appointment are authorised by the Accounting Officer in line with Municipal Regulations issued; all committees are furthermore represented by a senior supply chain practitioner. Importantly in terms of the code of conduct applicable to bid committees, all members are required to declare annually, financial interests. ELM's SCM Policy has also be reviewed in order to cover emergency procurement measures (Deviations) during disasters.

8.4. BUDGET AND FINANCE REFORM

A considerable amount of time and effort has been expended on ensuring that Elundini Local Municipality has the capacity to deliver on the finance and budget reporting requirements as prescribed by National Treasury. The institution has reaffirmed its commitment to the development of capacity to service local government interest within financial management and administration and as such has invested R 1.7 Million towards this program over the MTREF.

The process is being overseen by a Finance Standing committee and significant progress has been made in some areas. Specific tasks being performed are:

- Employment of 5 interns and short term contract workers
- Reconciliation of assets
- Training
- Supply Chain Management
- Liability Management
- Revenue Management
- Financial Systems Reporting
- Automation of Section 71 reporting

8.5. POLICY FOR ACCESSING DONOR FUNDS

Due to the large number of projects that are being requested from the community, a policy has been developed and implemented which creates a framework for accessing funds both locally and internationally.

The policy outlines the type of donors available and the conditions related to the donations. All procedures and special conditions attributable the different donors will be catalogued in the policy to ensure the smoothest approach to these donors when the occasion arises. This policy implementation lies with the Municipal Manager's Office as an extension of the Subsidies and Grants Policy.

Please refer to section on Subsidies and Grants around the successful application of the policy framework.

8.6. OPERATIONAL FINANCING STRATEGIES

The purpose of this strategy is to assess the viability (IA) of any association or alliance or partnership that may arise from time to time. ELM has been assigned various functions and authorities by the MEC for Local Government, Housing and Traditional Affairs or Structures Act.

Council, through National Treasury have begun a formal process of exploring a PPP option on the landfill sites within the areas of Maclear, Ugie and Mt Fletcher on a 10 year outsourced option, aimed at significantly passing financial risk onto the private party (R30 Million over 10 years); Council has provided R 8.1 Million over the MTREF for this purpose financed through enhanced debt collection initiatives.

Similarly, a memorandum of understanding has been concluded between the Elundini LM and Department of Public Works for the construction of divisional roads within Elundini, aimed at maximizing the returns of investment for Elundini around the acquisition and utilization of plant (road construction) acquired, outside of planned performance linked to MIG internal road construction framework, whilst reducing input costs for the Department and hence generate significant project related savings which may be reprioritized to increase service coverage.

8.7. STRATEGIES TO ENHANCE COST-EFFECTIVENESS

The purpose of this strategy is to ensure that Elundini Local Municipality employs the most cost effective operating practices. Importantly, this strategy is driven on the principles enshrined within the Costing policy, which amongst other things advocates that the sustainability of Elundini LM is not primarily driven on resource generation capacity, rather a combination of effective resource utilization, premised on cost conscious decision making practices and processes.

The Municipality over the MTREF has adopted a formal cost reduction plan in line with the strategy requirements that will see a material shift away from consumptive based practices in favour of enhancing allocations towards building internal working capital reserves and capital replacement reserves.

8.8. BENCHMARKING AND PERFORMANCE INDICATORS

A set of performance indicators will be developed in so as to conform to Local Government benchmark indicators set for financial sustainability and performance; the Long Term Plan presented is modelled to ensure a sustain approach to align existing performance to that of a desired performance level. Benchmarking these against similar organizations will allow for regular internal assessment and upgrading.

These bench mark indicators will supplement the battery of indicators that have been developed as part of the new budget reporting formats and regulations, aimed at gauging the efficacy of financial performance and management.

8.9. TRAINING AND DEVELOPMENT OF STAFF

Training sessions and courses are continually being planned to ensure that all financial as well as non-financial, senior staff and councillors will be in a better position to evaluate the financial position of the Municipality. The Council also has an approved skills development plan, which is being implemented and is used to guide training of both Councillors and Officials.

The training related budget provided over the MTREF supporting the workplace skills plan equates to R 5.9 Million. Similarly the organization has enrolled 2 employees on the Minimum Municipal Competency training programme for the current financial year; it is anticipated that by the end of Dec 2018 all officials required to be fully competent would have complied with the regulations issued.

8.10. COST-EFFECTIVENESS

In line with the cost containment strategy formulated and implemented, line functions are thoroughly assessed from a business process perspective, in terms of the outcomes reports furnished line departments will be engaged in business process reengineering aimed at enhancing overall performance and reducing ELM's cost footprint. Departments will be required to develop departmental specific reduction strategies for approval and implementation in line with the key strategy developed.

8.11. POST RETIREMENT BENEFITS

Post-retirement benefit obligations have been quantified and disclosed with the AFS in compliance with relevant accounting standards, the Funding and Reserves policy adopted has quantified the basis of cash back provisioning required to provide to wholly fund the obligations presented.

8.12. FREE BASIC SERVICES

8.12.1. The indigence support policy:

The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction.

The indigent support policy is an integral part of the Elundini's tariff policy that is developed and implemented in a transparent manner to ensure the sustainability of local public services to all of its citizens at an affordable cost. The indigent

policy is intended to provide poor households ongoing access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery.

Critically as part of Elundini LM commitment to improve continued access to service and provide a basket of free services as part of the poverty alleviation programme, Council has resolved to accelerate the provision of solar system to non-grid electrified homes within the region (7 500 new applications over the MTREF), to this effect the service delivery targets have been amended to reflect this target; indigent support funding envelope has significantly increased to R 18.4 Million over the MTREF.

8.13. FINANCIAL PLAN

This plan is prepared in terms of Section 26 (h) of the Local Government: Municipal Systems Act, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

Total operating revenue has decreased by 2 per cent or R7 million for this financial year when compared to the previous financial year on budgeted revenue. For the two outer years, operational revenue increased by 6 and 7 per cent.

Total operating expenditure decreased by 17% or R57m for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 6 and 5 per cent. Operating expenditure has been appropriated at R283.6 million and translates into a budgeted deficit of (R5.1) million. The operating deficit for the two outer years steadily decreases to R1.0 million and then R7.5 million.

The capital programme is positioned to R102.6 million and R98.7 and 88.9 million in the outer years. A substantial portion of the capital budget will be funded from government grants from National Government over the MTREF. The balance will be funded from internally generated funds.

8.13.1. Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- ✓ National Treasury's guidelines and macroeconomic policy;

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- ✓ Growth in the Municipality and continued economic development;
- ✓ Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- ✓ Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- ✓ Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- ✓ The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- ✓ The municipality's Indigent Policy and rendering of free basic services; and
- ✓ Tariff policies of the municipality.

The following table is a summary of the 2020/2022 MTREF (classified by main revenue source):

Table B4 Summary of revenue classified by main revenue source

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	14 583	17 218	17 501	28 255	28 255	28 255	–	29 932	31 548	33 250
Service charges - electricity revenue	2	16 395	19 233	24 734	25 983	28 770	28 770	–	34 391	36 248	38 206
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 413	4 759	685	2 926	5 275	5 275	–	7 461	7 864	8 288
Rental of facilities and equipment		1 552	1 575	1 463	9 048	9 048	9 048	–	9 459	9 969	10 508
Interest earned - external investments		3 652	4 539	4 778	2 441	2 441	2 441	–	2 568	2 707	2 853
Interest earned - outstanding debtors		1 400	1 804	1 899	1 301	1 301	1 301	–	1 369	1 442	1 520
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		941	472	368	385	226	226	–	259	273	288
Licences and permits		1 865	2 371	2 014	2 631	2 602	2 602	–	2 217	2 337	2 463
Agency services		–	–	–	–	–	–	–	520	548	578
Transfers and subsidies		157 496	152 226	168 566	173 745	176 155	176 155	–	159 791	165 809	175 632
Other revenue	2	1 289	1 308	8 946	29 977	31 002	31 002	–	30 000	36 118	43 833
Gains on disposal of PPE		–	–	–	–	–	–	–	448	472	498
Total Revenue (excluding capital transfers and contributions)		203 586	205 505	230 953	276 691	285 074	285 074	–	278 415	295 335	317 918
Expenditure By Type											
Employee related costs	2	70 803	70 300	79 764	98 540	99 177	99 177	–	100 012	105 412	111 105
Remuneration of councillors		10 792	10 229	12 028	12 398	12 602	12 602	–	12 736	13 424	14 148
Debt impairment	3	6 133	9 185	1 686	7 811	7 811	7 811	–	1 773	1 869	1 970
Depreciation & asset impairment	2	26 843	26 956	32 793	48 898	48 898	48 898	–	34 498	36 361	38 324
Finance charges		907	1 205	1 370	53	53	53	–	56	59	62
Bulk purchases	2	19 065	21 295	20 023	26 599	26 599	26 599	–	30 757	32 417	34 168
Other materials	8	5 168	9 619	13 480	3 188	2 324	2 324	–	1 705	1 797	1 894
Contracted services		2 731	2 727	2 380	82 705	88 237	88 237	–	47 295	46 810	49 338
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	63 229	72 770	79 714	53 633	54 597	54 597	–	54 731	56 317	59 358
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		205 671	224 288	243 237	333 826	340 298	340 298	–	283 563	294 466	310 367
Surplus/(Deficit)		(2 085)	(18 783)	(12 284)	(57 135)	(55 225)	(55 225)	–	(5 148)	869	7 551
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		33 234	41 386	70 276	67 795	67 795	67 795	–	78 306	73 068	61 955
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506

8.13.2. Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 93 and 94 was used to guide the compilation of the 2019/22 MTREF.

The main challenges experienced during the compilation of the 2019/22 MTREF can be summarized as follows:

- ✓ The ongoing difficulties in the national and local economy;
- ✓ Inadequate resources to reduce roads and electricity infrastructure backlogs;
- ✓ The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- ✓ The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- ✓ Salary budget increases for municipal staff due to a critical need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the MTREF:

- ✓ The 2018/19 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/20 annual budget;
- ✓ Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- ✓ Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

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- ✓ There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- ✓ There's also a budget allocation set for the following items:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

Table A86 Consolidated Overview of the 2019/20 MTREF

R thousand	Adjustments Budget 2018/2019	Budget Year 2019/2020	Budget Year 2020/2021	Budget Year 2021/2022
Total Operating Revenue	285.0m	320.2m	336.5m	354.0m
Total Operating Expenditure	340.2m	356.2m	375.4m	395.7m
(Surplus)/Deficit	(55.2m)	(35.9m)	(38.9m)	(41.7m)
Total Capital Expenditure	88.1m	64.7m	68.2m	71.9m

Total operating revenue has increased by 11 per cent or R35 million for this financial year when compared to the previous financial year on budgeted revenue. For the two outer years, operational revenue increased by 5 per cent.

Total operating expenditure grown by 5% or R16m for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 5 per cent. Operating expenditure has been appropriated at R356.2 million and translates into a budgeted deficit of (R64.7) million. The operating deficit for the two outer years steadily increases to (R68.2) million and then (R71.9) million. The deficit is in relation to the non-cash expenditure items namely Depreciation and Debt impairment. The municipality should develop a revenue enhancement strategy to address the deficit within the MTREF.

The capital programme is positioned to R64.7 million and R68.2 and 71.9 million in the outer years. A substantial portion of the capital budget will be funded from government grants from National Government over the MTREF. The balance will be funded from internally generated funds.

8.13.3. Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- ✓ National Treasury's guidelines and macroeconomic policy;
- ✓ Growth in the Municipality and continued economic development;
- ✓ Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- ✓ Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- ✓ Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- ✓ The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- ✓ The municipality's Indigent Policy and rendering of free basic services; and
- ✓ Tariff policies of the municipality.

The following table is a summary of the 2020/2022 MTREF (classified by main revenue source):

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Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Rat	2016/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
R	thous and	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source												
		2	-	-	-	28 255	28 255	28 255	-	27 749	29 247	30 825
		2	-	-	-	28 083	28 770	28 770	-	30 427	32 070	33 802
		2	-	-	-	-	-	-	-	-	-	-
		2	-	-	-	-	-	-	-	-	-	-
		2	-	-	-	2 020	5 275	5 275	-	3 078	3 044	3 419
			1 552	1 579	1 403	9 048	9 048	9 048	9 518	9 959	10 508	
			3 652	4 530	4 778	2 441	2 441	2 441	2 595	2 707	2 853	
			1 400	1 804	1 899	1 301	1 301	1 301	1 389	1 442	1 520	
			-	-	-	-	-	-	-	-	-	-
			941	472	368	385	226	226	238	251	265	
			1 865	2 371	2 014	2 031	2 002	2 002	2 070	2 885	3 041	
			-	-	-	-	-	-	-	-	-	-
			157 490	152 226	168 590	173 745	176 155	176 155	188 791	198 986	209 732	
		2	-	-	-	20 977	31 002	31 002	-	53 381	58 295	59 302
			-	-	-	-	-	-	-	443	472	498
Total Revenue (excluding capital transfers and contributions)			188 808	182 887	179 087	278 881	286 074	286 074	-	820 348	887 838	88 6786
Expenditure By Type												
		2	-	-	-	98 540	99 177	99 177	-	108 302	114 150	120 314
			10 792	10 229	12 028	12 398	12 902	12 902	13 761	14 505	15 288	
		3	6 133	9 185	1 088	7 811	7 811	7 811	7 811	8 233	8 677	
		2	-	-	-	48 898	48 898	48 898	48 898	51 538	54 321	
			907	1 205	1 370	53	53	53	59	59	62	
		2	-	-	-	20 599	20 599	20 599	-	27 982	29 493	31 088
		6	5 168	9 619	13 480	3 188	2 324	2 324	2 331	2 457	2 599	
			-	-	-	82 705	88 237	88 237	-	89 056	93 865	98 934
			-	-	-	-	-	-	-	-	-	-
		4, 5	-	-	-	53 033	54 597	54 597	-	53 041	51 175	54 479
			-	-	-	-	-	-	-	-	-	-
Total Expenditure			20 605	80 238	28 880	83 525	940 289	940 289	-	886 205	974 475	98 6780
Surplus/(Deficit)												
			148 808	182 748	168 624	(67 156)	(66 225)	(66 225)	-	(66 985)	(87 987)	(88 898)
			33 234	41 380	70 270	67 795	67 795	67 795	37 001	38 999	41 105	
		6	-	-	-	-	-	-	-	-	-	-
			177 140	174 134	220 799	1 080	12 670	12 670	-	1 008	1 082	1 120
Surplus/(Deficit) after capital transfers & contributions												
			177 140	174 134	220 799	1 080	12 670	12 670	-	1 008	1 082	1 120
Taxation												
			177 140	174 134	220 799	1 080	12 670	12 670	-	1 008	1 082	1 120
Attributable to minorities												
			177 140	174 134	220 799	1 080	12 670	12 670	-	1 008	1 082	1 120
Share of surplus/(deficit) of associated												
		7	177 140	174 134	220 799	1 080	12 670	12 670	-	1 008	1 082	1 120
Surplus/(Deficit) for the year												

Table A4 Summary of revenue classified by main revenue source:

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	–	–	–	28 255	28 255	28 255	–	27 749	29 247	30 825
Service charges - electricity revenue	2	–	–	–	25 983	28 770	28 770	–	30 427	32 070	33 802
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	2 926	5 275	5 275	–	3 078	3 244	3 419
Rental of facilities and equipment		1 552	1 575	1 463	9 048	9 048	9 048		9 518	9 969	10 508
Interest earned - external investments		3 652	4 539	4 778	2 441	2 441	2 441		2 568	2 707	2 853
Interest earned - outstanding debtors		1 400	1 804	1 899	1 301	1 301	1 301		1 369	1 442	1 520
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		941	472	368	385	226	226		238	251	265
Licences and permits		1 865	2 371	2 014	2 631	2 602	2 602		2 679	2 885	3 041
Agency services		–	–	–	–	–	–		–	–	–
Transfers and subsidies		157 496	152 226	168 566	173 745	176 155	176 155		188 791	198 986	209 732
Other revenue	2	–	–	–	29 977	31 002	31 002	–	53 381	56 265	59 302
Gains on disposal of PPE		–	–	–	–	–	–	–	448	472	498
Total Revenue (excluding capital transfers and contributions)		166 906	162 987	179 087	276 691	285 074	285 074	–	320 245	337 538	355 765
Expenditure By Type											
Employee related costs	2	–	–	–	98 540	99 177	99 177	–	108 302	114 150	120 314
Remuneration of councillors		10 792	10 229	12 028	12 398	12 602	12 602		13 761	14 505	15 288
Debt impairment	3	6 133	9 185	1 686	7 811	7 811	7 811		7 811	8 233	8 677
Depreciation & asset impairment	2	–	–	–	48 898	48 898	48 898	–	48 898	51 538	54 321
Finance charges		907	1 205	1 370	53	53	53		56	59	62
Bulk purchases	2	–	–	–	26 599	26 599	26 599	–	27 982	29 493	31 086
Other materials	8	5 168	9 619	13 480	3 188	2 324	2 324		2 331	2 457	2 589
Contracted services		–	–	–	82 705	88 237	88 237	–	89 056	93 865	98 934
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	–	–	–	53 633	54 597	54 597	–	58 041	61 175	64 479
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		23 000	30 239	28 563	333 826	340 298	340 298	–	356 238	375 475	395 750
Surplus/(Deficit)		143 906	132 748	150 524	(57 135)	(55 225)	(55 225)	–	(35 993)	(37 937)	(39 985)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		33 234	41 386	70 276	67 795	67 795	67 795		37 001	38 999	41 105
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	1 062	1 120
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	1 062	1 120
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	1 062	1 120
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	1 062	1 120

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

8.13.4. Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

Revenue generated from Property Rates totals to R29.9 million for the budget year and has increased by 5.2% when compared with the current financial year and it increases to R31.5 million and R33.2 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

8.13.5. Revenue from Services

❖ Electricity

Electricity and Solid waste services are the main revenue sources for the municipality.

Revenue generated from Electricity totals to R34.3 million for the budget year and increases to R36.2 million and R38.2 million for the two outer years. NERSA has announced the revised bulk electricity pricing structure and it has been used for the purpose of this budget which will be effective from 1 July 2019.

Considering the Eskom increases, the consumer tariff had to be increased by 15% to offset the additional bulk purchase cost from 1 July 2019. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.

❖ Solid Waste

Revenue generated from Solid waste totals to R7.50 million for the budget year and increases to R7.9 million and R8.3 million for the two outer years. An increase of 6% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal.

This service is also operating at a deficit, the revenue derived from this service is unable to cover expenditure in relation to it. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

It must also be noted that the anticipated revenue for this service has significantly increased when compared with previous year's reason being the tariff structure that will be implemented on the 01 July 2019.

8.13.6. Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

8.13.7. Operating Grants

Operating grants and transfers totals R159.8 million in the budget year and steadily increases to R165.8 million and R175.6 for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

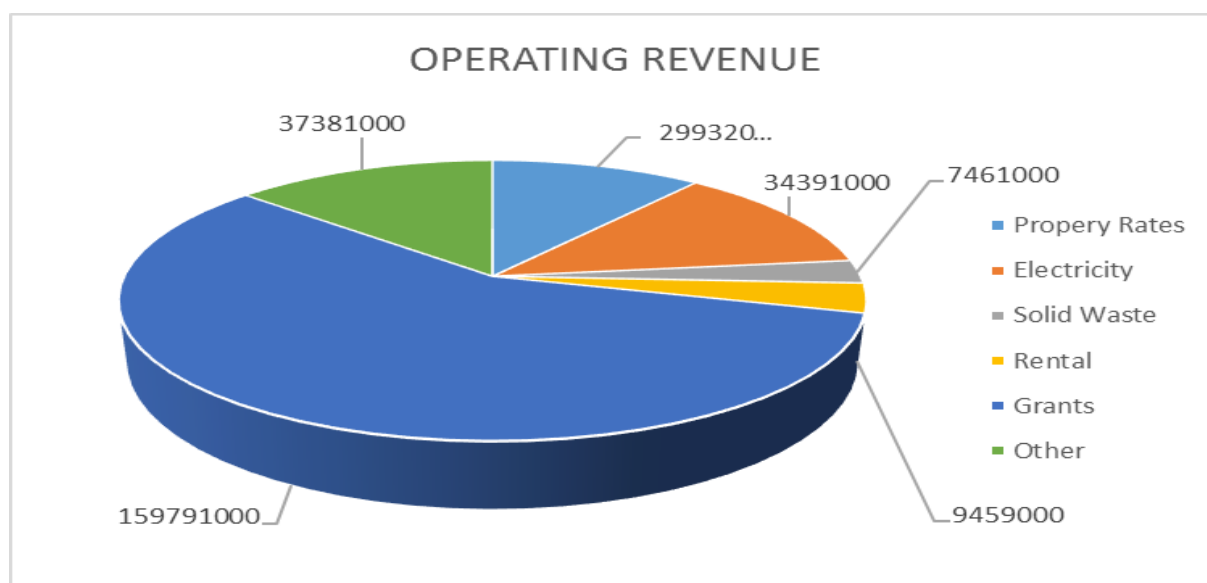


Table SA18 Operating Transfers and Grant Receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		155 898	148 058	168 465	172 495	172 495	172 495	157 094	163 009	172 654
Local Government Equitable Share		132 110	127 070	134 116	138 382	138 382	138 382	152 511	161 309	170 954
EPWP Incentive		1 258	1 863	2 649	1 777	1 777	1 777	2 883	–	–
Integrated National Electrification Programme		20 000	17 500	30 000	25 636	25 636	25 636	–	–	–
Energy Efficiency and Demand Management		–	–	–	5 000	5 000	5 000	–	–	–
Finance Management		1 600	1 625	1 700	–	–	–	–	–	–
Municipal Systems Improvement		930	–	–	–	–	–	–	–	–
Financial Management Grant					1 700	1 700	1 700	1 700	1 700	1 700
Provincial Government:		656	750	750	1 250	1 750	1 750	750	750	781
Sport and Recreation		656	750	750	750	750	750	750	750	781
Sport and Recreation				–	500	500	500	–	–	–
Sport and Recreation				–		500	500	–	–	–
Financial Management Grant										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	156 554	148 808	169 215	173 745	174 245	174 245	157 844	163 759	173 435
Capital Transfers and Grants										
National Government:		32 992	42 250	69 622	38 207	38 207	38 207	59 948	60 597	64 152
Municipal Infrastructure Grant (MIG)		32 992	42 250	39 587	38 207	38 207	38 207	38 948	40 997	43 945
		–	–	30 035						
INEP								21 000	19 600	20 207
Provincial Government:		–	–	–	29 588	29 588	29 588	20 305	14 521	–
Premior Office Grant					29 588	29 588	29 588	20 305	14 521	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	32 992	42 250	69 622	67 795	67 795	67 795	80 253	75 118	64 152
TOTAL RECEIPTS OF TRANSFERS & GRANTS		189 546	191 058	238 837	241 540	242 040	242 040	238 097	238 877	237 587

8.13.8. Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were taken into account to ensure the financial sustainability of the Municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 94 and NERSA guidelines in tariff determination.

ELM 2019 – 2020 FINAL IDP

Category	2018/2019 Budget Year	2019/2020 Budget Year	2020/2021 Budget Year	2021/2022 Budget Year
Property Rates		5.2%	5.4%	5.4%
Electricity		13%	5.4%	5.4%
Solid waste		6%	5.4%	5.4%

The following table compares Solid Waste's current and proposed amounts payable from 1 July 2019 with previous year's tariffs:

Refuse Removal - Per Month	2018/2019	2019/2020
Households	R119.32	R 125.52
Business	R236.84	R 249.16
Townships	R49.16	R 51.72
Loads per removal Business & Refuse garden	R360.61	R 379.36
Building Rubble per Load	R667.78	R 702.50
Use of refuse site where the public off load refuse - Price is per cubic meter(Prepaid Coupon)	R32.45	R 34.13
Illegal Dumping- Fine	R4327.30	R 4552.32

Electricity's current and proposed amounts that will be payable from 1 July 2019 are detailed on the tariff list which will be approved as the budget related document.

8.13.9. Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services:

ELM 2019 – 2020 FINAL IDP

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	14 583	17 218	17 501	28 255	28 255	28 255	–	29 932	31 548	33 250
Service charges - electricity revenue	2	16 395	19 233	24 734	25 983	28 770	28 770	–	34 391	36 248	38 206
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 413	4 759	685	2 926	5 275	5 275	–	7 461	7 864	8 288
Rental of facilities and equipment		1 552	1 575	1 463	9 048	9 048	9 048		9 459	9 969	10 508
Interest earned - external investments		3 652	4 539	4 778	2 441	2 441	2 441		2 568	2 707	2 853
Interest earned - outstanding debtors		1 400	1 804	1 899	1 301	1 301	1 301		1 369	1 442	1 520
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		941	472	368	385	226	226		259	273	288
Licences and permits		1 865	2 371	2 014	2 631	2 602	2 602		2 217	2 337	2 463
Agency services					–	–	–		520	548	578
Transfers and subsidies		157 496	152 226	168 566	173 745	176 155	176 155		159 791	165 809	175 632
Other revenue	2	1 289	1 308	8 946	29 977	31 002	31 002	–	30 000	36 118	43 833
Gains on disposal of PPE									448	472	498
Total Revenue (excluding capital transfers and contributions)		203 586	205 505	230 953	276 691	285 074	285 074	–	278 415	295 335	317 918
Expenditure By Type											
Employee related costs	2	70 803	70 300	79 764	98 540	99 177	99 177	–	100 012	105 412	111 105
Remuneration of councillors		10 792	10 229	12 028	12 398	12 602	12 602		12 736	13 424	14 148
Debt impairment	3	6 133	9 185	1 686	7 811	7 811	7 811		1 773	1 869	1 970
Depreciation & asset impairment	2	26 843	26 956	32 793	48 898	48 898	48 898	–	34 498	36 361	38 324
Finance charges		907	1 205	1 370	53	53	53		56	59	62
Bulk purchases	2	19 065	21 295	20 023	26 599	26 599	26 599	–	30 757	32 417	34 168
Other materials	8	5 168	9 619	13 480	3 188	2 324	2 324		1 705	1 797	1 894
Contracted services		2 731	2 727	2 380	82 705	88 237	88 237	–	47 295	46 810	49 338
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	63 229	72 770	79 714	53 633	54 597	54 597	–	54 731	56 317	59 358
Loss on disposal of PPE											
Total Expenditure		205 671	224 288	243 237	333 826	340 298	340 298	–	283 563	294 466	310 367
Surplus/(Deficit)		(2 085)	(18 783)	(12 284)	(57 135)	(55 225)	(55 225)	–	(5 148)	869	7 551
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		33 234	41 386	70 276	67 795	67 795	67 795		78 306	73 068	61 955
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatibns, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Taxation											
Surplus/(Deficit) after taxation		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506

8.14. Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the MTREF (classified per main type of operating expenditure):

ELM 2019 – 2020 FINAL IDP

Table A4 Summary of operating expenditure by standard classification item

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	–	–	–	28 255	28 255	28 255	–	27 749	29 248	30 827
Service charges - electricity revenue	2	–	–	–	25 983	28 770	28 770	–	30 427	32 070	33 801
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	2 926	5 275	5 275	–	3 078	3 244	3 419
Rental of facilities and equipment		1 552	1 575	1 463	9 048	9 048	9 048		9 518	10 032	10 574
Interest earned - external investments		3 652	4 539	4 778	2 441	2 441	2 441		2 568	2 707	2 853
Interest earned - outstanding debtors		1 400	1 804	1 899	1 301	1 301	1 301		1 369	1 442	1 520
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		941	472	368	385	226	226		238	250	264
Licences and permits		1 865	2 371	2 014	2 631	2 602	2 602		2 679	2 823	2 976
Agency services		–	–	–	–	–	–		–	–	–
Transfers and subsidies		157 496	152 226	168 566	173 745	176 155	176 155		188 791	192 659	203 058
Other revenue	2	–	–	–	29 977	31 002	31 002	–	53 381	61 580	64 212
Gains on disposal of PPE		–	–	–	–	–	–		448	472	498
Total Revenue (excluding capital transfers and contributions)		166 906	162 987	179 087	276 691	285 074	285 074	–	320 245	336 527	354 002
Expenditure By Type											
Employee related costs	2	–	–	–	98 540	99 177	99 177	–	108 302	114 150	120 314
Remuneration of councillors		10 792	10 229	12 028	12 398	12 602	12 602		13 761	14 504	15 287
Debt impairment	3	6 133	9 185	1 686	7 811	7 811	7 811		7 811	8 233	8 677
Depreciation & asset impairment	2	–	–	–	48 898	48 898	48 898	–	48 898	51 538	54 321
Finance charges		907	1 205	1 370	53	53	53		56	59	62
Bulk purchases	2	–	–	–	26 599	26 599	26 599	–	27 982	29 493	31 086
Other materials	8	5 168	9 619	13 480	3 188	2 324	2 324		2 331	2 457	2 590
Contracted services		–	–	–	82 705	88 237	88 237	–	89 056	93 865	98 933
Transfers and subsidies		–	–	–	–	–	–		–	–	–
Other expenditure	4, 5	–	–	–	53 633	54 597	54 597	–	58 041	61 175	64 479
Loss on disposal of PPE		–	–	–	–	–	–		–	–	–
Total Expenditure		23 000	30 239	28 563	333 826	340 298	340 298	–	356 238	375 474	395 750
Surplus/(Deficit)		143 906	132 748	150 524	(57 135)	(55 225)	(55 225)	–	(35 993)	(38 948)	(41 748)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		33 234	41 386	70 276	67 795	67 795	67 795		37 001	38 947	41 748
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–	–	–
Surplus/(Deficit) after capital transfers & contributions		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	(0)	(0)
Taxation		–	–	–	–	–	–		–	–	–
Surplus/(Deficit) after taxation		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	(0)	(0)
Attributable to minorities		–	–	–	–	–	–		–	–	–
Surplus/(Deficit) attributable to municipality		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	(0)	(0)
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–		–	–	–
Surplus/(Deficit) for the year		177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	(0)	(0)

8.14.1. Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R100 million, which equals 35 per cent of the total operating expenditure. A three year collective SALGBC agreement, is still valid and it stipulates that with effect from 01 July 2019, an increase based on the projected CPI percentage for 2019 (5.2%), plus one comma five percent (1.5%). Employee related costs will increase by 9.2% including 2.5% notch increase.

As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized upwards. As part of the planning assumptions and interventions no new vacancies have been provided in this budget except positions that were identified and funded in the previous financial year and were not filled for various reasons.

8.14.2. Remuneration of Councillors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R12.7 million and equates to 4 percent of the total operating expenditure.

8.14.3. Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R1.8 million and equates to 1% of the total operating expenditure and escalates to R1.9 and R2 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

8.14.4. Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R34.5 million for the budget year financial and equates to 12% of the total operating expenditure. It must be noted that this figure has been aligned to the previous year's audited outcomes for the 2017/18 financial year.

8.14.5. Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R30.7 million for the budget year and equates to 11% of the total operating budget. The expenditure includes distribution losses.

8.14.6. Other Material

Since the implementation of mSCOA repairs and maintenance are no longer budgeted as the line item on the budget but as the project. Therefore we do not have an amount for Repairs and maintenance on A-schedule.

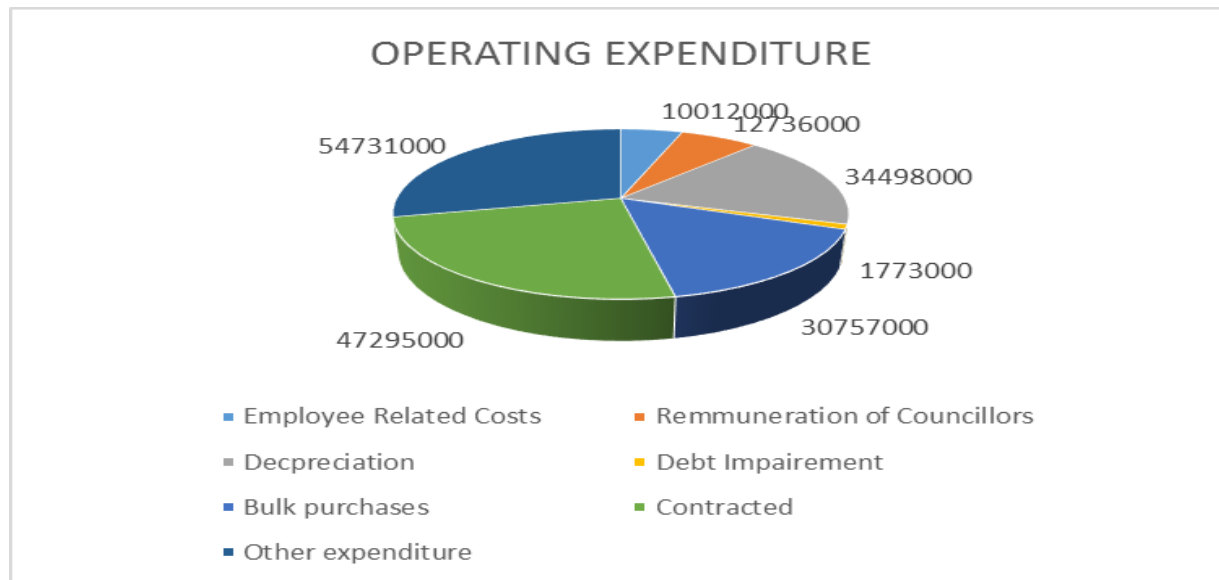
8.14.7. Contracted Services

In the 2019/20 financial year, this group of expenditure totals R47.2 million and equates to 17% of the total operating budget.

8.14.8. Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R54.7 million and equates to 19 percent.

The following graph gives a breakdown of the main expenditure categories for the 2019/20 financial year



Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. In this budget year the municipality made a provision of R7.9 million for free basic services.

8.14.9. Expenditure by major type

1. Bulk purchases have increased over the MTREF period escalating from R30.7million, R32.4 million and R34 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

8.15. Capital Expenditure

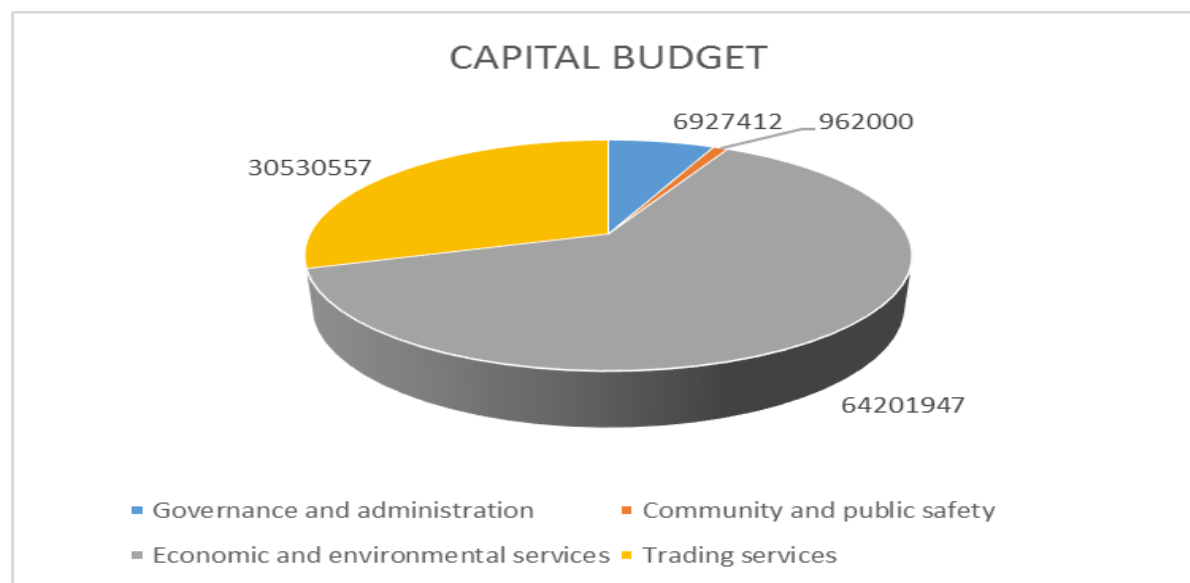
The following table provides a breakdown of budgeted capital expenditure by vote:

Table 2: 2019/20 Medium-term capital budget per vote

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Admin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure - to be appropriated	2										
Vote 1 - Executive & Council		197	1 626	-	-	-	-	-	1 950	2 055	2 166
Vote 2 - Budget and Treasury		11 944	10 521	19 259	-	-	-	-	2 627	2 769	2 919
Vote 3 - Corporate Admin		1 059	1 352	-	-	-	-	-	2 350	2 477	2 611
Vote 4 - Community Services		1 573	1 474	-	930	1 314	1 314	-	2 334	2 460	2 593
Vote 5 - Strategic Planning Development		303	262	-	1 600	2 206	2 206	-	1 185	1 249	1 316
Vote 6 - Infrastructure Planning & Development		28 809	40 831	51 173	77 805	78 452	78 452	-	92 176	87 687	77 363
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		43 884	56 065	70 432	80 335	81 972	81 972	-	102 622	98 697	88 968
Total Capital Expenditure - Vote		43 884	56 065	70 432	80 335	81 972	81 972	-	102 622	98 697	88 968
Capital Expenditure - Functional											
Governance and administration		13 200	13 499	19 259	5 116	5 116	5 116	-	6 927	7 301	7 696
Executive and council		197	1 626	-	96	96	96	-	1 950	2 055	2 166
Finance and administration		11 944	10 521	19 259	5 020	5 020	5 020	-	4 977	5 246	5 529
Internal audit		1 059	1 352	-	-	-	-	-	-	-	-
Community and public safety		713	586	-	1 447	1 063	1 063	-	962	1 014	1 069
Community and social services		88	116	-	147	147	147	-	162	171	180
Sport and recreation		590	115	-	400	16	16	-	800	843	889
Public safety		36	355	-	900	900	900	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		28 569	37 631	51 173	76 210	76 498	76 498	-	64 202	60 737	49 409
Planning and development		303	262	-	1 600	2 206	2 206	-	1 185	1 249	1 316
Road transport		28 266	37 370	51 173	74 610	74 292	74 292	-	63 017	59 488	48 093
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1 402	4 349	-	4 125	5 474	5 474	-	30 531	29 645	30 795
Energy sources		542	3 461	-	3 195	4 160	4 160	-	29 159	28 199	29 270
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		859	887	-	930	1 314	1 314	-	1 372	1 446	1 524
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	43 884	56 065	70 432	86 897	88 151	88 151	-	102 622	98 697	88 968
Funded by:											
National Government		27 787	31 964	51 173	38 207	36 297	36 297	-	58 001	58 547	61 955
Provincial Government		-	-	-	29 588	29 588	29 588	-	20 305	14 521	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	27 787	31 964	51 173	67 795	65 885	65 885	-	78 306	73 068	61 955
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		16 097	24 101	19 259	19 102	22 266	22 266	-	24 316	25 629	27 013
Total Capital Funding	7	43 884	56 065	70 432	86 897	88 151	88 151	-	102 622	98 697	88 968

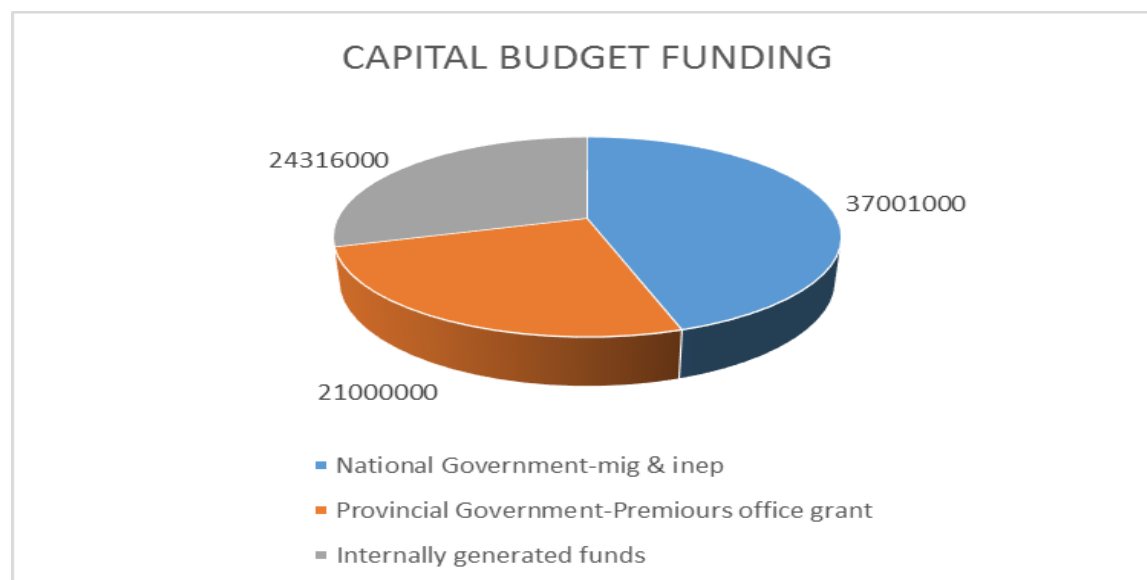
For this budget year an amount of R78.3 million has been appropriated for the development of infrastructure which represents 76 per cent of the total expenditure budget. The amount totals to R73 million and R61.9 million for the outer years.

The following graph gives a breakdown of the Capital expenditure by vote for the 2019/20 financial year.



8.15.1. Funding of the Capital Budget

The capital programme is funded from National grants and internally generated funds from previous year surpluses. Capital transfers totals to R78.3 million and escalates to R73 million and R61.9 million for the two outer years. The graph below illustrate the funding sources for Capital Expenditure:



8.16. Annual Budget Tables - Elundini Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page

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Table A1 - Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	14 583	17 218	17 501	28 255	28 255	28 255	–	29 932	31 548	33 250
Service charges	20 807	23 992	25 418	28 909	34 044	34 044	–	41 852	44 112	46 495
Investment revenue	3 652	4 539	4 778	2 441	2 441	2 441	–	2 568	2 707	2 853
Transfers recognised - operational	157 496	152 226	168 566	173 745	176 155	176 155	–	159 791	165 809	175 632
Other own revenue	7 047	7 530	14 690	43 341	44 178	44 178	–	44 272	51 160	59 688
Total Revenue (excluding capital transfers and contributions)	203 586	205 505	230 953	276 691	285 074	285 074	–	278 415	295 335	317 918
Employee costs	70 803	70 300	79 764	98 540	99 177	99 177	–	100 012	105 412	111 105
Remuneration of councillors	10 792	10 229	12 028	12 398	12 602	12 602	–	12 736	13 424	14 148
Depreciation & asset impairment	26 843	26 956	32 793	48 898	48 898	48 898	–	34 498	36 361	38 324
Finance charges	907	1 205	1 370	53	53	53	–	56	59	62
Materials and bulk purchases	24 233	30 914	33 503	29 787	28 923	28 923	–	32 461	34 214	36 062
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	72 092	84 683	83 779	144 149	150 645	150 645	–	103 799	104 996	110 666
Total Expenditure	205 671	224 288	243 237	333 826	340 298	340 298	–	283 563	294 466	310 367
Surplus/(Deficit)	(2 085)	(18 783)	(12 284)	(57 135)	(55 225)	(55 225)	–	(5 148)	869	7 551
Transfers and subsidies - capital (monetary allocations) (N)	33 234	41 386	70 276	67 795	67 795	67 795	–	78 306	73 068	61 955
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Capital expenditure & funds sources										
Capital expenditure	43 884	56 065	70 432	86 897	88 151	88 151	–	102 622	98 697	88 968
Transfers recognised - capital	27 787	31 964	51 173	67 795	65 885	65 885	–	78 306	73 068	61 955
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	16 097	24 101	19 259	19 102	22 266	22 266	–	24 316	25 629	27 013
Total sources of capital funds	43 884	56 065	70 432	86 897	88 151	88 151	–	102 622	98 697	88 968
Financial position										
Total current assets	16 857	20 244	32 371	167 525	167 525	167 525	106 193	178 061	187 677	197 810
Total non current assets	36 237	36 160	36 310	414 456	414 456	414 456	433 842	433 842	457 269	481 962
Total current liabilities	10 788	7 268	8 167	46 011	46 011	46 011	42 023	52 310	55 135	58 112
Total non current liabilities	–	–	–	16 014	16 014	16 014	127 129	16 484	17 374	18 313
Community wealth/Equity	42 307	49 136	60 513	519 957	519 957	519 957	370 883	543 108	572 437	603 348
Cash flows										
Net cash from (used) operating	58 844	45 976	79 091	79 029	35 631	35 631	66 670	104 701	106 964	110 551
Net cash from (used) investing	(40 849)	(55 625)	(61 967)	(88 151)	(88 151)	(88 151)	(29 873)	(102 622)	(98 697)	(88 968)
Net cash from (used) financing	(110)	(148)	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	51 690	41 918	59 055	106 657	63 259	63 259	94 653	114 642	122 909	144 492
Cash backing/surplus reconciliation										
Cash and investments available	6 104	5 383	2 259	107 910	107 910	107 910	93 908	93 908	98 979	104 324
Application of cash and investments	(3 046)	(1 908)	(3 986)	32 849	35 284	35 284	34 718	(35 363)	(37 271)	(43 649)
Balance - surplus (shortfall)	9 150	7 291	6 245	75 061	72 626	72 626	59 190	129 271	136 250	147 973
Asset management										
Asset register summary (WDV)	–	–	–	262 805	262 805	262 805	262 805	276 471	291 400	307 136
Depreciation	–	–	–	–	–	–	–	34 498	36 361	38 324
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–	–	1 705	1 797	1 894
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	5 564	5 564	5 864	6 181
Revenue cost of free services provided	–	–	–	7 407	7 407	7 407	2 229	2 229	2 349	2 476
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to Table A1 - Budget Summary:

- 1) Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- 2) The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

- 3) Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b) Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
- 4) The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash- backed to fund the budget.
- 5) Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		124 367	156 450	169 884	190 546	198 430	198 430	209 191	225 782	244 868
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		124 367	156 450	169 884	190 546	198 430	198 430	209 191	225 782	244 868
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		2 813	2 888	3 417	5 707	5 707	5 707	6 437	3 704	3 897
Community and social services		38	175	1 133	3 112	3 112	3 112	3 665	784	817
Sport and recreation		–	11	–	20	20	20	21	22	24
Public safety		2 588	2 702	2 284	2 575	2 575	2 575	2 750	2 898	3 057
Housing		187	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		33 305	45 498	72 691	83 325	81 914	81 914	74 826	71 604	60 612
Planning and development		68	80	84	2 040	2 540	2 540	2 084	2 194	2 349
Road transport		33 237	45 419	72 607	81 285	79 374	79 374	72 741	69 410	58 263
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		76 335	42 045	55 237	65 333	65 333	65 333	66 267	67 312	70 495
Energy sources		71 922	36 769	54 552	59 559	59 559	59 559	58 807	59 448	62 207
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		4 413	5 276	685	5 775	5 775	5 775	7 461	7 864	8 288
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	236 820	246 882	301 228	344 911	351 384	351 384	356 721	368 403	379 873
Expenditure - Functional										
<i>Governance and administration</i>		60 244	113 196	136 483	140 474	146 563	146 563	140 778	147 009	154 948
Executive and council		22 166	29 857	30 031	46 241	49 541	49 541	50 850	53 596	56 490
Finance and administration		38 078	83 339	106 452	94 233	97 022	97 022	89 927	93 413	98 458
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		13 929	17 293	18 258	25 404	25 316	25 316	24 613	22 903	24 140
Community and social services		1 852	2 528	4 031	5 949	5 669	5 669	6 821	4 151	4 375
Sport and recreation		4 585	6 470	7 672	7 135	7 440	7 440	8 377	8 830	9 306
Public safety		6 704	7 525	6 554	12 320	12 207	12 207	9 414	9 923	10 458
Housing		789	769	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		81 240	42 583	21 006	74 468	75 233	75 233	57 029	60 108	63 354
Planning and development		6 965	8 594	7 540	14 171	13 891	13 891	14 898	15 703	16 550
Road transport		74 274	33 989	13 466	60 298	61 342	61 342	42 131	44 406	46 803
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		50 257	51 216	67 490	93 480	93 186	93 186	61 144	64 446	67 926
Energy sources		40 030	33 347	56 554	74 498	74 604	74 604	44 117	46 499	49 010
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		10 228	17 869	10 936	18 982	18 582	18 582	17 027	17 946	18 916
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	205 670	224 288	243 237	333 826	340 298	340 298	283 563	294 466	310 367
Surplus/(Deficit) for the year		31 150	22 593	57 991	11 085	11 086	11 086	73 158	73 937	69 506

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

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Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
R thousands		–	–	–	–	–	–	–	–	–
0		124 367	156 460	169 884	190 546	198 430	198 430	209 191	225 782	244 868
0		–	–	–	–	–	–	–	–	–
0		7 225	8 164	4 101	11 482	11 482	11 482	13 898	11 568	12 186
0		1 978	80	84	2 040	2 540	2 540	2 084	2 194	2 349
0		105 160	82 188	127 159	140 843	138 932	138 932	131 548	128 859	120 470
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	238 731	246 891	301 229	344 911	351 384	351 384	356 721	368 403	379 873
Expenditure by Vote to be appropriated	1									
0		22 166	29 857	30 031	46 241	49 541	49 541	50 850	53 596	56 490
0		23 659	63 601	86 154	56 262	59 052	59 052	52 721	54 198	57 125
0		14 419	19 739	20 298	37 970	37 970	37 970	37 206	39 215	41 333
0		24 157	35 162	29 193	44 386	43 898	43 898	41 639	40 849	43 055
0		6 965	8 594	7 540	14 171	13 891	13 891	14 898	15 703	16 550
0		114 304	67 336	70 021	134 796	135 946	135 946	86 247	90 905	95 813
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	205 670	224 288	243 237	333 826	340 298	340 298	283 563	294 466	310 367
Surplus/(Deficit) for the year	2	33 060	22 603	57 992	11 086	11 086	11 086	73 158	73 937	69 506

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

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Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	14 583	17 218	17 501	28 255	28 255	28 255	–	29 932	31 548	33 250
Service charges - electricity revenue	2	16 395	19 233	24 734	25 983	28 770	28 770	–	34 391	36 248	38 206
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 413	4 759	685	2 926	5 275	5 275	–	7 461	7 864	8 288
Rental of facilities and equipment		1 552	1 575	1 463	9 048	9 048	9 048		9 459	9 969	10 508
Interest earned - external investments		3 652	4 539	4 778	2 441	2 441	2 441		2 568	2 707	2 853
Interest earned - outstanding debtors		1 400	1 804	1 899	1 301	1 301	1 301		1 369	1 442	1 520
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		941	472	368	385	226	226		259	273	288
Licences and permits		1 865	2 371	2 014	2 631	2 602	2 602		2 217	2 337	2 463
Agency services		–	–	–	–	–	–		520	548	578
Transfers and subsidies		157 496	152 226	168 566	173 745	176 155	176 155		159 791	165 809	175 632
Other revenue	2	1 289	1 308	8 946	29 977	31 002	31 002	–	30 000	36 118	43 833
Gains on disposal of PPE		–	–	–	–	–	–	–	448	472	498
Total Revenue (excluding capital transfers and contributions)		203 586	205 505	230 953	276 691	285 074	285 074	–	278 415	295 335	317 918
Expenditure By Type											
Employee related costs	2	70 803	70 300	79 764	98 540	99 177	99 177	–	100 012	105 412	111 105
Remuneration of councillors		10 792	10 229	12 028	12 398	12 602	12 602		12 736	13 424	14 148
Debt impairment	3	6 133	9 185	1 686	7 811	7 811	7 811		1 773	1 869	1 970
Depreciation & asset impairment	2	26 843	26 956	32 793	48 898	48 898	48 898	–	34 498	36 361	38 324
Finance charges		907	1 205	1 370	53	53	53		56	59	62
Bulk purchases	2	19 065	21 295	20 023	26 599	26 599	26 599	–	30 757	32 417	34 168
Other materials	8	5 168	9 619	13 480	3 188	2 324	2 324		1 705	1 797	1 894
Contracted services		2 731	2 727	2 380	82 705	88 237	88 237		47 295	46 810	49 338
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	63 229	72 770	79 714	53 633	54 597	54 597	–	54 731	56 317	59 358
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		205 671	224 288	243 237	333 826	340 298	340 298	–	283 563	294 466	310 367
Surplus/(Deficit)		(2 085)	(18 783)	(12 284)	(57 135)	(55 225)	(55 225)	–	(5 148)	869	7 551
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		33 234	41 386	70 276	67 795	67 795	67 795		78 306	73 068	61 955
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		31 149	22 603	57 991	10 660	12 570	12 570	–	73 158	73 937	69 506

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

- Total revenue is 278.4 million in the budget year and escalates to R295.3 million and R317.9 for the outer years.
- Revenue to be generated from property rates is R29.9 million in the budget year and increases to R31.5 million and R33.2 million in the outer years. The property Rates represents 11% of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.
- Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R41.8 million in the budget year and increasing to R44.1 million and R46.5 million for the outer years. For the budget year services charges amount to 15% of the total revenue base.
- Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing over the MTREF.

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Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate dmin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		197	1 626	-	-	-	-	-	1 950	2 055	2 166
Vote 2 - Budget and Treasury		11 944	10 521	19 259	-	-	-	-	2 627	2 769	2 919
Vote 3 - Corporate dmin		1 059	1 352	-	-	-	-	-	2 350	2 477	2 611
Vote 4 - Community Services		1 573	1 474	-	930	1 314	1 314	-	2 334	2 460	2 593
Vote 5 - Strategic Planning Development		303	262	-	1 600	2 206	2 206	-	1 185	1 249	1 316
Vote 6 - Infrastructure Planning & Development		28 809	40 831	51 173	77 805	78 452	78 452	-	92 176	87 687	77 363
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		43 884	56 065	70 432	80 335	81 972	81 972	-	102 622	98 697	88 968
Total Capital Expenditure - Vote		43 884	56 065	70 432	80 335	81 972	81 972	-	102 622	98 697	88 968
Capital Expenditure - Functional											
Governance and administration		13 200	13 499	19 259	5 116	5 116	5 116	-	6 927	7 301	7 696
Executive and council		197	1 626	-	96	96	96	-	1 950	2 055	2 166
Finance and administration		11 944	10 521	19 259	5 020	5 020	5 020	-	4 977	5 246	5 529
Internal audit		1 059	1 352	-	-	-	-	-	-	-	-
Community and public safety		713	586	-	1 447	1 063	1 063	-	962	1 014	1 069
Community and social services		88	116	-	147	147	147	-	162	171	180
Sport and recreation		590	115	-	400	16	16	-	800	843	889
Public safety		36	355	-	900	900	900	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		28 569	37 631	51 173	76 210	76 498	76 498	-	64 202	60 737	49 409
Planning and development		303	262	-	1 600	2 206	2 206	-	1 185	1 249	1 316
Road transport		28 266	37 370	51 173	74 610	74 292	74 292	-	63 017	59 488	48 093
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1 402	4 349	-	4 125	5 474	5 474	-	30 531	29 645	30 795
Energy sources		542	3 461	-	3 195	4 160	4 160	-	29 159	28 199	29 270
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		859	887	-	930	1 314	1 314	-	1 372	1 446	1 524
Other											
Total Capital Expenditure - Functional	3	43 884	56 065	70 432	86 897	88 151	88 151	-	102 622	98 697	88 968
Funded by:											
National Government		27 787	31 964	51 173	38 207	36 297	36 297	-	58 001	58 547	61 955
Provincial Government		-	-	-	29 588	29 588	29 588	-	20 305	14 521	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	27 787	31 964	51 173	67 795	65 885	65 885	-	78 306	73 068	61 955
Borrowing	6										
Internally generated funds		16 097	24 101	19 259	19 102	22 266	22 266	-	24 316	25 629	27 013
Total Capital Funding	7	43 884	56 065	70 432	86 897	88 151	88 151	-	102 622	98 697	88 968

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

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- 2 Single-year capital expenditure has been appropriated at R102.6 million for the budget year and R98.6 million and R88.9 million for the two outer years.
- 3 Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and machinery and development of infrastructure roads. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		6 104	5 383	2 259	1 334	1 334	1 334	8 448	5 552	5 852	6 168
Call investment deposits	1	–	–	–	106 576	106 576	106 576	85 460	107 011	112 790	118 880
Consumer debtors	1	–	–	–	47 617	47 617	47 617	7 444	72 120	76 015	80 119
Other debtors		3 544	2 782	5 323	11 734	11 734	11 734	4 542	11 734	12 367	13 035
Current portion of long-term receivables		7 209	12 079	24 789					–		
Inventory	2				265	265	265	299	299	315	332
Total current assets		16 857	20 244	32 371	167 525	167 525	167 525	106 193	196 716	207 339	218 535
Non current assets											
Long-term receivables											
Investments											
Investment property		36 237	36 160	36 083	36 199	36 199	36 199	36 199	36 199	38 154	40 214
Investment in Associate											
Property, plant and equipment	3	–	–	–	378 257	378 257	378 257	397 643	397 643	419 116	441 748
Biological											
Intangible		227	0	0							
Other non-current assets									–	–	–
Total non current assets		36 237	36 160	36 310	414 456	414 456	414 456	433 842	433 842	457 269	481 962
TOTAL ASSETS		53 095	56 404	68 681	581 981	581 981	581 981	540 035	630 558	664 609	700 497
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	367	367	367	7 224	7 224	7 614	8 025
Consumer deposits		388	402	399	643	643	643	81	643	677	714
Trade and other payables	4	–	–	–	38 144	38 144	38 144	34 718	37 587	39 617	41 756
Provisions		10 400	6 867	7 768	6 857	6 857	6 857		6 857	7 227	7 617
Total current liabilities		10 788	7 268	8 167	46 011	46 011	46 011	42 023	52 310	55 135	58 112
Non current liabilities											
Borrowing		–	–	–	335	335	335	805	805	848	894
Provisions		–	–	–	15 679	15 679	15 679	126 324	15 679	16 526	17 418
Total non current liabilities		–	–	–	16 014	16 014	16 014	127 129	16 484	17 374	18 313
TOTAL LIABILITIES		10 788	7 268	8 167	62 024	62 024	62 024	169 152	68 794	72 509	76 425
NET ASSETS	5	42 307	49 136	60 513	519 957	519 957	519 957	370 883	561 764	592 099	624 072
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		42 307	49 136	60 513	519 957	519 957	519 957	370 883	561 764	592 099	624 072
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	42 307	49 136	60 513	519 957	519 957	519 957	370 883	561 764	592 099	624 072

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

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Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
			13 078	13 338	43 140	16 606	16 606	16 606	23 944	28 435	29 248	36 827
			18 123	15 400		23 127	23 127	23 127	17 118	39 759	41 906	44 169
			5 275	4 695		33 766	33 766	33 766	5 802	41 833	49 092	57 743
	1		158 687	151 357	168 566	173 745	174 245	174 245	131 782	159 791	165 809	175 632
	1		31 904	41 386	70 276	67 795	67 795	67 795	31 754	78 306	73 068	61 955
			5 053	6 342	8 139	3 680	3 680	3 680	3 461	3 868	4 077	4 298
										-	-	-
Payments												
			(173 258)	(186 455)	(209 328)	(239 637)	(283 535)	(283 535)	(147 156)	(247 236)	(256 178)	(270 011)
			(19)	(87)	(1 702)	(53)	(53)	(53)	(35)	(56)	(59)	(62)
	1									-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES			58 844	45 976	79 091	79 029	35 631	35 631	66 670	104 701	106 964	110 551
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
			372	440	1 034	-	-	-	-	-	-	-
										-	-	-
										-	-	-
										-	-	-
Payments												
			(41 221)	(56 065)	(63 001)	(88 151)	(88 151)	(88 151)	(29 873)	(102 622)	(98 697)	(88 968)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(40 849)	(55 625)	(61 967)	(88 151)	(88 151)	(88 151)	(29 873)	(102 622)	(98 697)	(88 968)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
										-	-	-
										-	-	-
										-	-	-
Payments												
			(110)	(148)						-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES			(110)	(148)	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD												
	2		17 884	(9 798)	17 124	(9 122)	(52 520)	(52 520)	36 797	2 079	8 267	21 583
			33 806	51 716	41 932	115 779	115 779	115 779	57 855	112 563	114 642	122 909
	2		51 690	41 918	59 055	106 657	63 259	63 259	94 653	114 642	122 909	144 492

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Choose name from list - Table A6 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	51 690	41 918	59 055	106 657	63 259	63 259	94 653	114 642	122 909	144 492
Other current investments > 90 days		(45 585)	(36 535)	(56 796)	1 253	44 651	44 651	(745)	(20 734)	(23 930)	(40 169)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		6 104	5 383	2 259	107 910	107 910	107 910	93 908	93 908	98 979	104 324
<u>Application of cash and investments</u>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(3 046)	(1 908)	(3 986)	(5 259)	(2 824)	(2 824)	34 718	(42 220)	(44 498)	(51 267)
Other provisions									6 857	7 227	7 618
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5				38 108	38 108	38 108	-	-	-	-
Total Application of cash and investments:		(3 046)	(1 908)	(3 986)	32 849	35 284	35 284	34 718	(35 363)	(37 271)	(43 649)
Surplus(shortfall)		9 150	7 291	6 245	75 061	72 626	72 626	59 190	129 271	136 250	147 973

8.16.1. Funding of the Capital Budget

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

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Total Capital Expenditure	4	43 884	56 065	70 432	-	-	-	102 622	98 697	88 968
Roads Infrastructure		-	17 796	51 173	-	-	-	62 955	59 423	48 024
Storm water Infrastructure		25 989	14 168	-	-	-	-	-	-	-
Electrical Infrastructure		-	3 394	-	-	-	-	29 159	28 199	29 270
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	172	182	191
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		25 989	35 358	51 173	-	-	-	92 286	87 803	77 486
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		17 894	20 707	19 259	-	-	-	3 133	3 302	3 480
Housing		-	-	-	-	-	-	-	-	-
Other Assets		17 894	20 707	19 259	-	-	-	3 133	3 302	3 480
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	661	696	734
Furniture and Office Equipment		-	-	-	-	-	-	738	777	819
Machinery and Equipment		-	-	-	-	-	-	2 105	2 219	2 338
Transport Assets		-	-	-	-	-	-	3 700	3 900	4 110
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		43 884	56 065	70 432	-	-	-	102 622	98 697	88 968

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ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	262 805	262 805	262 805	362 515	382 091	402 724
Roads Infrastructure					161 286	161 286	161 286	255 717	269 526	284 080
Storm water Infrastructure					41 768	41 768	41 768	43 940	46 313	48 814
Electrical Infrastructure					52 375	52 375	52 375	55 099	58 074	61 210
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	-	-	255 429	255 429	255 429	354 756	373 913	394 104
Community Assets		-	-	-	7 086	7 086	7 086	7 454	7 857	8 281
Heritage Assets		-	-	-	290	290	290	305	322	339
Investment properties										
Other Assets										
Biological or Cultivated Assets										
Intangible Assets										
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	262 805	262 805	262 805	362 515	382 091	402 724
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	-	36 203	38 158	40 218
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	-	34 498	36 361	38 324
Roads Infrastructure		-	-	-	-	-	-	1 705	1 797	1 894
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	1 705	1 797	1 894
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	1 705	1 797	1 894
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	-	-	-	36 203	38 158	40 218
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%
Renewal and upgrading and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	3 092	3 259	3 435
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	2 471	2 605	2 745
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	5 564	5 864	6 181
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	2 119	2 119	2 119	2 229	2 349	2 476
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	2 940	2 940	2 940	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	2 349	2 349	2 349	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	7 407	7 407	7 407	2 229	2 349	2 476

Part 2 – Supporting Documentation

2.1. Overview of the Annual Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1. Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in September 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 September 2018. Key dates applicable to the process were:

- **September 2018** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2011/12 MTREF;
- **July/Aug 2018** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **August 2018** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2019** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2019** - Council considers the 2018/19 Mid-year Review and Adjustments Budget;

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- **March 2019** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2019/20 MTREF is revised accordingly;
- **29 March 2019** - Tabling in Council of the draft 2019/20 IDP and 2021/2022 MTREF for public consultation;
- **May 2019** – Public consultation;
- **April 2019** - Closing date for written comments;
- **June 2019** – finalization of the 2020/24 IDP and 2019/20 to 2021/2022 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **June 2019** - Approval of the 2019/2020-2021/2022 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2. IDP and Service Delivery and Budget Implementation Plan

This is the fifth review of the IDP as adopted by Council in June 2019. It started in September 2018 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2020/22 MTREF in September.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- ✓ Registration of community needs;
- ✓ Compilation of departmental business plans including key performance indicators and targets;
- ✓ Financial planning and budgeting process;
- ✓ Public participation process;
- ✓ Compilation of the SDBIP, and
- ✓ The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/20 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/20 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2018/19 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs

and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3. Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/22 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/22 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 93 and 94 has been taken into consideration in the planning and prioritisation process.

2.1.4. Community Consultation

The final 2020/22 MTREF as tabled before Council on 29 March 2019 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. In addition a further development of this year's consultation process included the launch of E-based consultation. E-mail notifications were sent to all organizations on the municipality's database, including ratepayer associations, community-based organizations and organized business. The opportunity to give electronic feedback was also communicated on the Municipality's website, and the Municipality's call center was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilized to facilitate the community consultation process from 23 to 29 May 2019, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 5000 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organized business and Imbizos were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organizations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalization of the 2020/22 MTREF. Feedback and responses to the submissions received are available on request.

2.2. Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilize integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in

the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- ✓ Green Paper on National Strategic Planning;
- ✓ Government Programme of Action;
- ✓ Development Facilitation Act of 1995;
- ✓ Provincial Growth and Development Strategy (GGDS);
- ✓ National and Provincial spatial development perspectives;
- ✓ Relevant sector plans such as transportation, legislation and policy;
- ✓ National Key Performance Indicators (NKPis);
- ✓ Accelerated and Shared Growth Initiative (ASGISA);
- ✓ National 2020 Vision;
- ✓ National Spatial Development Perspective (NSDP); and
- ✓ The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2019/2020 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 87 IDP Strategic Objectives

2018/19 Financial Year	2019/20 MTREF
1. Accelerate service delivery and infrastructure development	Accelerate service delivery and infrastructure development
2. Promote economic growth, environment sustainability and creation of decent jobs	Promote economic growth, environmental sustainability and creation of decent jobs
3. To improve the effectiveness of governance administrative and financial systems	To improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

- 1) Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the Municipality.
- 2) Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1) Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2) Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme
- 4 Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimizing effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.

5.1. Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2. Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3. Optimal institutional transformation to ensure capacity to achieve set objectives:

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

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- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2020/22 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure:

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Choose name from list - Supporting Table SA4 Reconciliation of BDF Strategic Objectives and Budget (Revenue)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			124 367	156 450	169 884	190 546	198 430	198 430	145 446	140 427	132 656
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			68	80	84	2 040	2 540	2 540	2 084	2 194	2 349
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems			75 706	47 844	79 394	151 899	151 898	151 898	209 191	225 782	244 868
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)			2									
			1	200 141	204 374	249 362	344 485	352 868	352 868	356 721	368 403	379 873

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Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Supporting Data and Performance Indicators (Operating Expenditure)									2019/20 Medium Term Revenue & Expenditure Framework		
			Ref	2015/16	2016/17	2017/18	Current Year 2018/19			Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast					
R thousand														
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			(7 624)	(41 956)	(65 130)	263 393	267 356	267 356	127 887	131 754	138 868		
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			6 965	8 594	7 540	14 171	13 891	13 891	14 898	15 703	16 550		
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems			23 659	63 601	86 154	56 262	59 052	59 052	140 778	147 009	154 948		
Allocations to other priorities														
Total Expenditure			1	23 001	30 239	28 564	333 826	340 299	340 299	283 563	294 466	310 367		

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Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Choose name from list - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

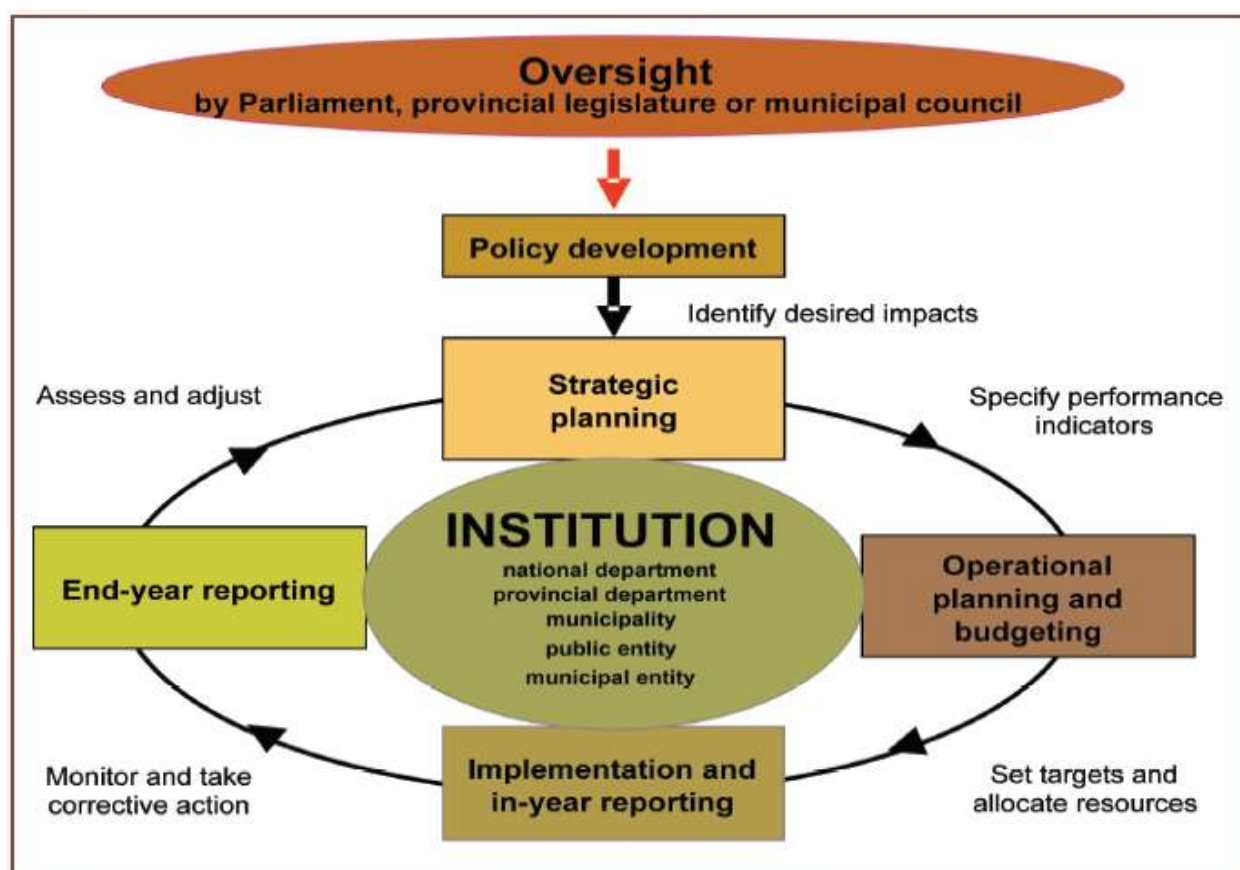
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development	A		31 637	10 783	33 626	73 715	74 746	74 746	94 510	90 147	79 956
		B										
		C										
		D										
		E										
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs	F		303	34 761	17 547	1 600	2 206	2 206	1 185	1 249	1 316
		G										
		H										
		I										
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems	J		11 944	10 521	19 259	5 020	5 020	5 020	6 927	7 301	7 696
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	43 884	56 065	70 432	80 335	81 972	81 972	102 622	98 697	88 968

2.3. Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

Figure 9 Planning, budgeting and reporting cycle



The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year:

Figure 10 Definition of performance information concepts

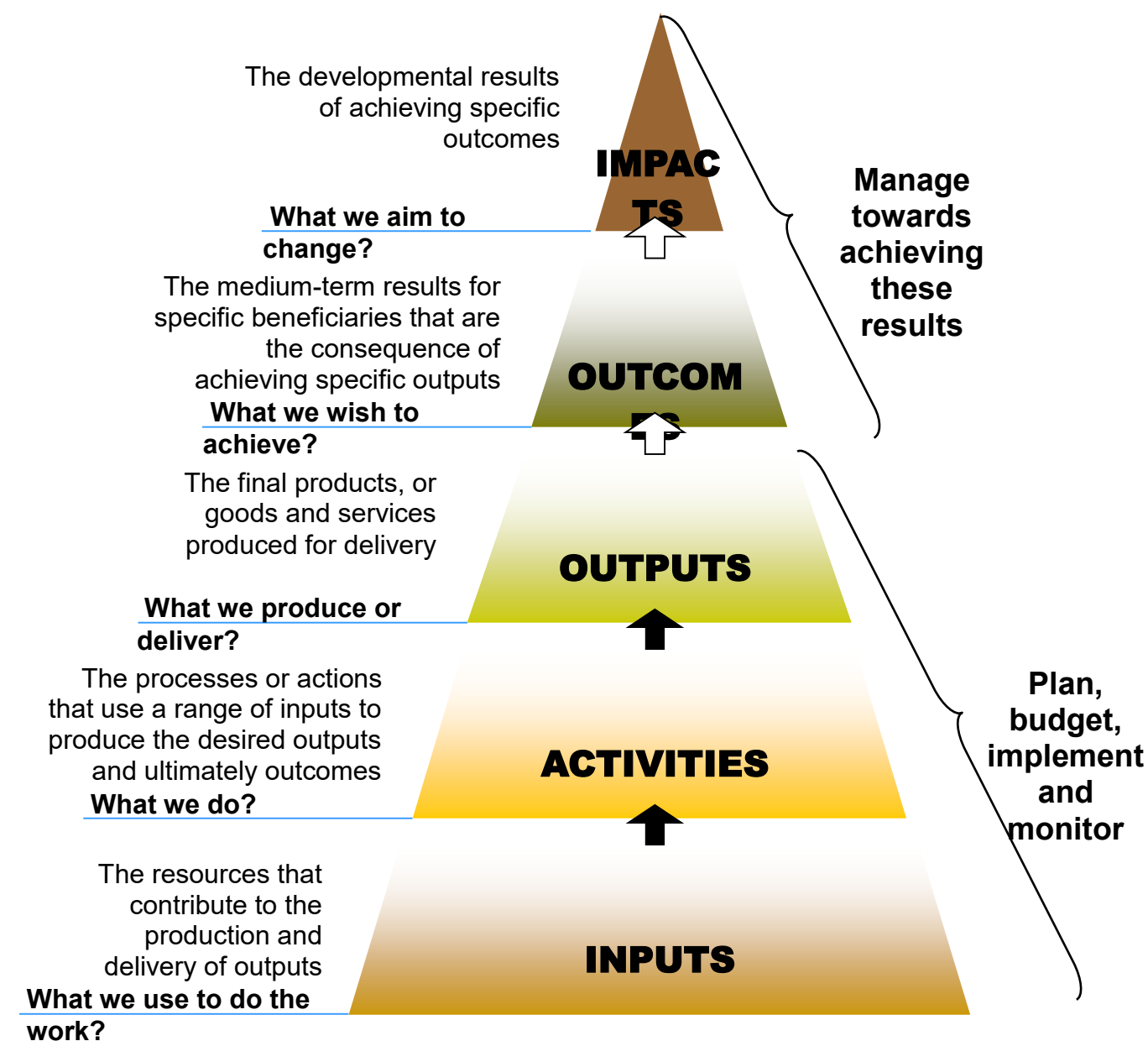


Table SA7 - Measurable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 1 - Infrastructure Development & Planning										
Function 1 - (Roads Infrastructure)										
Sub-function 1 - (Roads)								25.0%	26.0%	28.0%
Insert measure/s description										
Sub-function 2 - (Strategic Planning)								4.0%	4.3%	4.5%
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Electricity Infrastructure)										
Sub-function 1 - (Energy)								18.7%	19.7%	21.0%
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - Finance & Administration										
Function 1 - (Budget and Treasury Office)										
Sub-function 1 - (Finance)								15.0%	16.0%	17.0%
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Corporate services)										
Sub-function 1 - (Administration)								5.3%	5.5%	8.6%
Insert measure/s description										
Sub-function 2 - (ICT)								1.9%	2.0%	2.1%
Insert measure/s description										
Sub-function 3 - (HR)								4.6%	4.9%	5.1%
Insert measure/s description										
Vote 3 - Community Services										
Function 1 - (Community administration)										
Sub-function 1 - (Community services)								21.0%	22.0%	23.0%
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Waste management)										
Sub-function 1 - (Solid waste)								4.5%	4.7%	5.0%
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

Table SA7 - Measurable Performance Objectives

The following table sets out the municipalities the municipality's performance objectives for the 2019/20 MTREF:

2.3.1. Liquidity

- ✓ **Current ratio** is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1.5:1 as per national treasury norm. For the 2017/18 MTREF the current ratio is 2:1 and remains 2:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- ✓ **The liquidity ratio** is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash

equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.5:1 as per national treasury norm. 1. Anything below 1.5 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the Municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.2. Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.
- Debtors' turnover rate is 30 days.

2.3.3. Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.4. Other Indicators

- The electricity distribution losses have been managed downwards from 23 per cent in the 2016/17 financial year, the plan is to reduce them to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

2.4. Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality, only registered indigents qualify for the free basic services. For the 2018/19 financial year 9556 registered indigents have been provided for in the budget with this figured increasing to R10 000 by 2018/19. In terms of the Municipality's indigent policy registered households are entitled, 50 KWH of electricity and free waste removal, as well as a discount on their property rates. It must also be noted that a municipality has not limited the roll out of free basis services to grid electricity and solid waste only, a decision to roll out another form energy (gel) to all qualifying beneficiaries has been taken and it is going to be implemented.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table SA21. The three year financial plan includes an Operating Budget and Capital Budget informed by the IDP priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP. The review of the Municipality's IDP has a ripple effect on the budget.

2.5. Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.5.1. Review of Indigent Policy

The emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

2.5.2. Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2017. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.5.3. *Budget and Virement Policy*

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in August 2009 and was amended on February 2018 in respect of both Operating and Capital Budget Fund Transfers.

2.5.4. *Cash Management and Investment Policy*

The municipality's Cash Management and Investment Policy was amended by Council in February 2018. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.5.5. *Petty Cash Policy*

The old Petty Cash Management Policy did not cater for all municipal departments, which results into the petty cash being replenished every week. In the new policy all departments have been catered for which is believed will improve day to day transacting on the petty cash.

2.5.6. *Tariff Policy*

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- ✓ Property Rates Policy;
- ✓ Credit Control Policy;
- ✓ Supply chain management Policy;
- ✓ Budget Policy;
- ✓ Virement Policy;
- ✓ Investment Policy;
- ✓ Indigent Policy; and
- ✓ Tariff Policy

2.6. Overview of budget assumptions

2.6.1. External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community. Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

2.6.2. General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- ✓ National Government macro-economic targets;
- ✓ The general inflationary outlook and the impact on municipality's residents and businesses;
- ✓ The impact of municipal cost drivers;
- ✓ The increase in prices for bulk electricity;
- ✓ The increase in the cost of remuneration. Employee related costs comprise 27.7% of total operating expenditure in the 2018/19 MTREF.

2.6.3. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 5.2%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term. The rate of revenue collection is currently expressed as a percentage (80%) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.6.4. Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2019 and shall remain in force until 30 June 2020. The salary increase that has been applied is 6.7% for the 2019/2020 budget year.

2.6.5. Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- ✓ Creating jobs;

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- ✓ Enhancing education and skill development;
- ✓ Improving Health services;
- ✓ Rural development and agriculture; and
- ✓ Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.6.6. Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97% is achieved on operating expenditure and 100% on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

2.6.7. Consolidated Investment Register for each and every grant received

ELUNDINI INVESTMENT REPORT							
01 FEBRUARY 2019 TO 28 FEBRUARY 2019							
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/03/2018	INTEREST RECEIVED	WITHDRAWALS	DEPOSIT	TOAL AS AT 31/03/2018
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGRA	388497173-001	R 1 612 869.40	R 7 208.24		533 000.00	R 2 153 077.64
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	388497165-001	R 1 469.79	R 2.65			R 1 472.44
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 20 059 847.47	84471.75	12165354.5		R 7 978 964.72
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 755 063.10	R 6 664.43			R 1 761 727.53
MAYOR'S SOCIAL INVESTMENT		62378875226	R 525 570.92	R 1 740.86			R 527 311.78
MACLEAR GREENFIELDS	CONDITIONAL GRANT	388493003-001	R 1 319.12	R 2.38			R 1 321.50
MIG	CONDITIONAL GRANT	62189180111	R 17 938 747.69	R 79 161.36	4733158.54		R 13 284 750.51
NER	ELECTRICITY UPGRADING	388490810-001	R 4 124 036.26	R 26 987.27		R 8 636 000	R 12 787 023.53
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 38 108 481.07	159873.01		239203.12	R 38 507 557.20
JOE GQABI	WATER AND SANITAION	62557779322	R 5 509 873.94	R 26 417.21			R 5 536 291.15
ENERGY EFFICIANCY	CONDITIONAL GRANT	62785909650	R 2 906 205.40	R 13 933.86			R 2 920 139.26
TOTAL			R 92 543 484.16	R 406 463.02	R 16 898 513.04	R 9 408 203.12	R 85 459 637.26

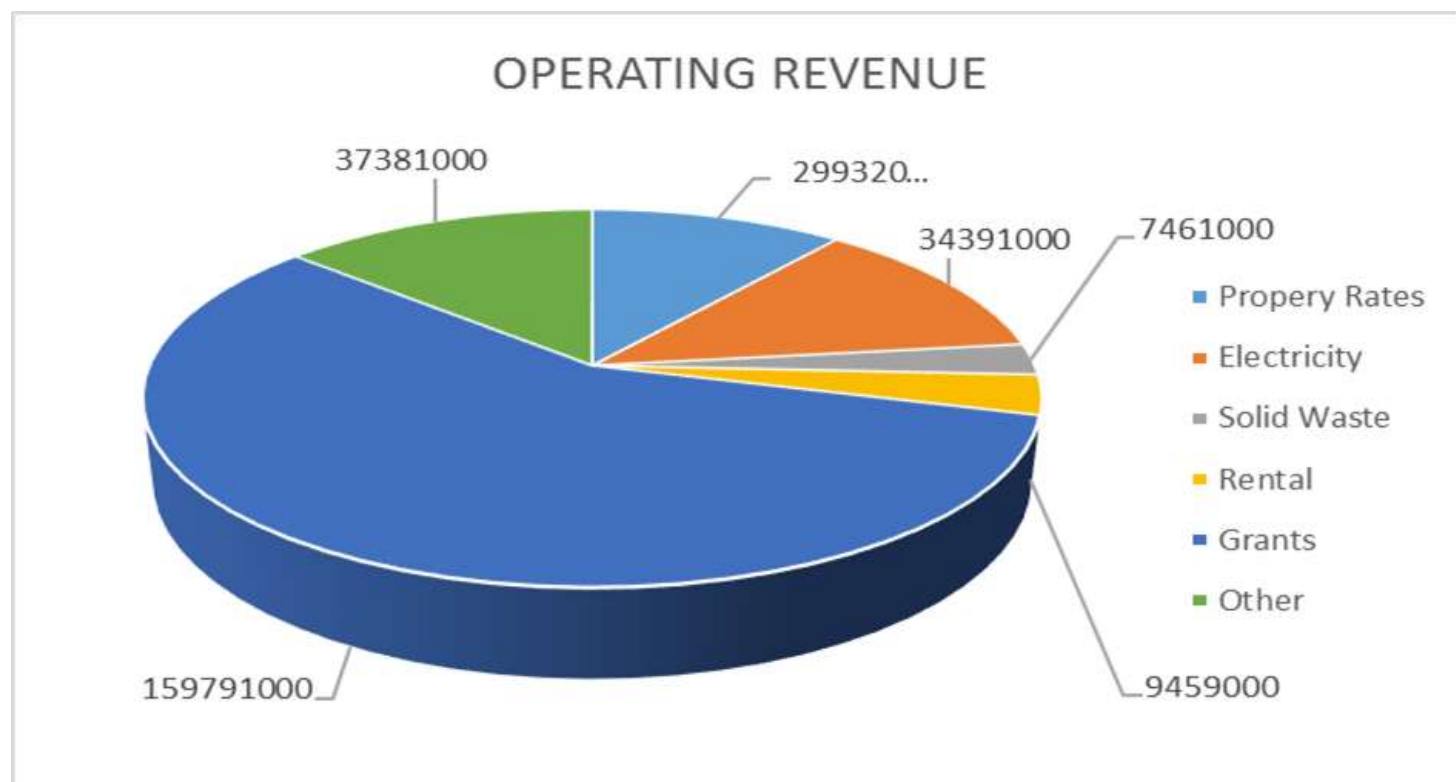
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2.6.8. Grants receipts and Expenditure

EC-141 ELUNDINI MUNICIPALITY ACTUALS VERSUS BUDGET									
ACTUAL EXPENDED									
Operational grants									
	2019 Budget	2019 Actuals	%	2018 Budget	2019 Actuals	%	2017 Budget	2019 Actuals	%
Equitable Share	138 382 000	76 903 709	56%	134 116 000	134 116 000	100%	129 070 000	129 070 000	100%
Financial Management Grant	1 700 000	467 158	27%	1 700 000	1 700 000	100%	1 625 000	1 625 000	100%
Expended Public Works programme	1 777 000	1 352 525	76%	2 649 000	2 330 695	88%	1 862 500	1 862 500	100%
Inerp	25 636 000	14 635 406	57%	30 000 000	29 818 255	99%	17 500 000	17 500 000	100%
Energy efficiency	5 000 000	280 563	6%	-	-		-	-	
Libraries	750 000	-		750 000	704 393	94%	750 000	750 000	100%
Greenest Town	500 000	-		-	-				
Capital Grants									
Municipal Infrastructure Grant	38 207 000	24 745 899	65%	39 587 000	34 966 987	88%	42 250 000	42 250 000	100%
Premiers Office Grant	29 588 000	-		30 035 000	30 035 000	100%	-	-	
ACTUAL RECEIVED									
Operational grants									
Equitable Share	138 382 000	138 382 000	100%	134 116 000	134 116 000	100%	129 070 000	129 070 000	100%
Financial Management Grant	1 700 000	1 700 000	100%	1 700 000	1 700 000	100%	1 625 000	1 625 000	100%
Expended Public Works programme	1 777 000	1 777 000	100%	2 649 000	2 649 000	100%	1 862 500	1 862 500	100%
Inerp	25 636 000	25 636 000	100%	30 000 000	30 000 000	100%	17 500 000	17 500 000	100%
Energy efficiency	5 000 000	3 000 000	100%	-	-		-	-	
Libraries	750 000	750 000	100%	750 000	750 000	100%	750 000	750 000	100%
Greenest Town	500 000	200 000	40%	-	-				
Capital Grants									
Municipal Infrastructure Grant	38 207 000	38 207 000	100%	39 587 000	39 587 000	100%	42 250 000	42 250 000	100%
Premiers Office Grant	29 588 000			30 035 000	30 035 000	100%	-	-	

2.7. Overview of budget funding

2.7.1. Medium-term outlook: operating revenue



For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R1.0 million and nil in outer years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.7.2. Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2019/20 medium-term capital programme:

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		197	1 626	-	-	-	-	-	1 950	2 055	2 166
Vote 2 - Budget and Treasury		11 944	10 521	19 259	-	-	-	-	2 627	2 769	2 919
Vote 3 - Corporate Admin		1 059	1 352	-	-	-	-	-	2 350	2 477	2 611
Vote 4 - Community Services		1 573	1 474	-	930	1 314	1 314	-	2 334	2 460	2 593
Vote 5 - Strategic Planning Development		303	262	-	1 600	2 206	2 206	-	1 185	1 249	1 316
Vote 6 - Infrastructure Planning & Development		28 809	40 831	51 173	77 805	78 452	78 452	-	92 176	87 687	77 363

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Table A5 Sources of capital revenue over the MTREF

Vote Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funded by:											
National Government		27 787	31 964	51 173	38 207	36 297	36 297		58 001	58 547	61 855
Provincial Government					29 588	29 588	29 588		20 305	14 521	—
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	27 787	31 964	51 173	67 795	65 885	65 885	—	78 306	73 068	61 955
Borrowing	6										
Internally generated funds		16 097	24 101	19 259	19 102	22 266	22 266		24 316	25 629	27 013
Total Capital Funding	7	43 884	56 065	70 432	86 897	88 151	88 151	—	102 622	98 697	88 968

Capital grants and receipts equates to 76 per cent of the total funding source which represents R78.3 million for 2019/20 and R73 and R61.9 million for the outer years.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

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Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		155 898	148 058	168 465	172 495	172 495	172 495	157 094	163 009	172 654
Local Government Equitable Share		132 110	127 070	134 116	138 382	138 382	138 382	152 511	161 309	170 954
EPWP Incentive		1 258	1 863	2 649	1 777	1 777	1 777	2 883	–	–
Integrated National Electrification Programme		20 000	17 500	30 000	25 636	25 636	25 636	–	–	–
Energy Efficiency and Demand Management		–	–	–	5 000	5 000	5 000	–	–	–
Finance Management		1 600	1 625	1 700	–	–	–	–	–	–
Municipal Systems Improvement		930	–	–	–	–	–	–	–	–
Financial Management Grant					1 700	1 700	1 700	1 700	1 700	1 700
Provincial Government:		656	750	750	1 250	1 750	1 750	750	750	781
Sport and Recreation		656	750	750	750	750	750	750	750	781
Sport and Recreation				–	500	500	500	–	–	–
Sport and Recreation				–		500	500	–	–	–
Financial Management Grant										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	156 554	148 808	169 215	173 745	174 245	174 245	157 844	163 759	173 435
Capital Transfers and Grants										
National Government:		32 992	42 250	69 622	38 207	38 207	38 207	59 948	60 597	64 152
Municipal Infrastructure Grant (MIG)		32 992	42 250	39 587	38 207	38 207	38 207	38 948	40 997	43 945
		–	–	30 035						
INEP								21 000	19 600	20 207
Provincial Government:		–	–	–	29 588	29 588	29 588	20 305	14 521	–
Premior Office Grant					29 588	29 588	29 588	20 305	14 521	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	32 992	42 250	69 622	67 795	67 795	67 795	80 253	75 118	64 152
TOTAL RECEIPTS OF TRANSFERS & GRANTS		189 546	191 058	238 837	241 540	242 040	242 040	238 097	238 877	237 587

2.7.3. Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- ✓ Clear separation of receipts and payments within each cash flow category;
- ✓ Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

2.7.4. *Cash Backed Reserves/Accumulated Surplus Reconciliation*

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- ✓ What are the predicted cash and investments that are available at the end of the budget year?
- ✓ How are those funds used?
- ✓ What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

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Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.2%	2.5%	2.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.6	2.8	4.0	3.6	3.6	3.6	2.5	3.4	3.4	3.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	2.8	4.0	3.6	3.6	3.6	2.5	3.4	3.4	3.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.7	0.3	2.3	2.3	2.3	2.2	1.8	1.8	1.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		88.2%	69.7%	100.5%	69.5%	63.8%	63.8%	0.0%	95.0%	94.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.2%	69.7%	100.5%	69.5%	63.8%	63.8%	0.0%	95.0%	94.0%	101.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.3%	7.2%	13.0%	21.5%	20.8%	20.8%	0.0%	30.1%	29.9%	29.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	35.2%	59.4%	59.4%	36.7%	32.8%	32.2%	28.9%
Other Indicators											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	34.2%	34.5%	35.6%	34.8%	34.8%	0.0%	35.9%	35.7%	34.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	40.1%	39.2%	39.2%		40.5%	43.2%	42.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.6%	0.6%	0.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.6%	13.7%	14.8%	17.7%	17.2%	17.2%	0.0%	12.4%	12.3%	12.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	7.1	6.5	17.0	28.0	28.0	28.0	–	29.1	30.1	33.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	29.1%	34.7%	67.8%	89.6%	83.2%	83.2%	0.0%	103.2%	103.2%	103.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.5	3.4	4.6	5.1	3.0	3.0	–	6.4	6.6	7.4

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Choose name from list - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			21		16	16	16	16	16	16	16	16
Females aged 5 - 14			22		17	17	17	17	17	17	17	17
Males aged 5 - 14			21		22	22	22	22	22	22	22	22
Females aged 15 - 34			19		23	23	23	23	23	23	23	23
Males aged 15 - 34			11		11	11	11	11	11	11	11	11
Unemployment												
Monthly household income (no. of households)	1, 12											
No income		Income level	6 391		6 391	6 391	6 391	6 391	6 391	6 391	6 391	6 391
R1 - R1 600		No income										
R1 601 - R3 200		1 - 4800								3 113	3 113	3 113
R3 201 - R6 400		4800 - 9600								4 868	4 868	4 868
R6 401 - R12 800		9 600 - 38 200								10 770	10 770	10 770
R12 801 - R25 600		38 200 - 76 400								7 217	7 217	7 217
R25 601 - R51 200		76 400 - 153 800								2 501	2 501	2 501
R52 201 - R102 400		153 800 - 307 600								889	889	889
R102 401 - R204 800		307 600 - 641 400								324	324	324
R204 801 - R409 600		641 400 - 1 228 800								53	53	53
R409 601 - R819 200		1 228 800 - 2 457 600								45	45	45
> R819 200		2 457 600 or more								23	23	23
Poverty profiles (no. of households)	13											
< R2 060 per household per month												
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			137 393		138 141							
Number of poor people in municipal area			52 209		52 494							
Number of households in municipal area			33 209		35 992							
Number of poor households in municipal area			6 391		6 391							
Definition of poor household (R per month)												
Housing statistics	3											
Formal												
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

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Detail of Free Basic Services (FBS) provided		2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Electricity	Ref									
List type of FBS service	Location of households for each type of FBS Formal settlements - (50 kwh per indigent household per month Rands) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS Total cost of FBS - Electricity for informal settlements							3 092 421	3 259 412	3 435 420
Water	Ref									
List type of FBS service	Location of households for each type of FBS Formal settlements - (6 kilolitre per indigent household per month Rands) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS Total cost of FBS - Water for informal settlements									
Sanitation	Ref									
List type of FBS service	Location of households for each type of FBS Formal settlements - (free sanitation service to indigent households) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS Total cost of FBS - Sanitation for informal settlements									
Refuse Removal	Ref									
List type of FBS service	Location of households for each type of FBS Formal settlements - (removed once a week to indigent households) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS Total cost of FBS - Refuse Removal for informal settlements							2 471 195	2 604 640	2 745 290

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Table SA10 – Funding compliance measurement

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	51 690	41 918	59 055	106 657	63 259	63 259	94 653	114 642	122 909	144 492
Cash + investments at the yr end less applications - R'000	18(1)b	2	9 150	7 291	6 245	75 061	72 626	72 626	59 190	129 271	136 250	147 973
Cash year end/monthly employee/supplier payments	18(1)b	3	4.5	3.4	4.6	5.1	3.0	3.0	—	6.4	6.6	7.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	31 149	22 603	57 991	10 660	12 570	12 570	—	73 158	73 937	69 506
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	10.4%	(1.9%)	27.2%	3.0%	(6.0%)	(106.0%)	9.2%	(0.6%)	(0.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	86.0%	68.6%	74.9%	73.1%	69.0%	69.0%	0.0%	95.2%	95.2%	99.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	17.3%	22.3%	3.9%	13.7%	12.5%	12.5%	0.0%	2.5%	2.5%	2.5%
Capital payments % of capital expenditure	18(1)c,19	8	93.9%	100.0%	89.4%	109.7%	107.5%	107.5%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	38.2%	102.6%	97.1%	0.0%	0.0%	(79.8%)	41.3%	5.4%	5.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%	0.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	10.9%

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Supporting indicators												
% inc total service charges (incl prop rates)	18(1)a			16.4%	4.1%	33.2%	9.0%	0.0%	(100.0%)	15.2%	5.4%	5.4%
% inc Property Tax	18(1)a			18.1%	1.6%	61.4%	0.0%	0.0%	(100.0%)	5.9%	5.4%	5.4%
% inc Service charges - electricity revenue	18(1)a			17.3%	28.6%	5.1%	10.7%	0.0%	(100.0%)	19.5%	5.4%	5.4%
% inc Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% inc Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% inc Service charges - refuse revenue	18(1)a			7.9%	(85.6%)	327.4%	80.3%	0.0%	(100.0%)	41.4%	5.4%	5.4%
% inc in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		35 390	41 210	42 920	57 163	62 299	62 299	–	71 784	75 659	79 745
Service charges			35 390	41 210	42 920	57 163	62 299	62 299	–	71 784	75 659	79 745
Property rates			14 583	17 218	17 501	28 255	28 255	28 255	–	29 932	31 548	33 250
Service charges - electricity revenue			16 395	19 233	24 734	25 983	28 770	28 770	–	34 391	36 248	38 206
Service charges - water revenue			–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue			–	–	–	–	–	–	–	–	–	–
Service charges - refuse removal			4 413	4 759	685	2 926	5 275	5 275	–	7 461	7 864	8 288
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			1 552	1 575	1 463	9 048	9 048	9 048	–	9 459	9 969	10 508
Capital expenditure excluding capital grant funding			16 097	24 101	19 259	12 540	16 087	16 087	–	24 316	25 629	27 013
Cash receipts from ratepayers	18(1)a		36 476	33 433	43 140	73 499	73 499	73 499	46 864	110 028	120 246	138 740
Ratepayer & Other revenue	18(1)a		42 437	48 740	57 609	100 505	106 477	106 477	–	115 608	126 347	138 935
Change in consumer debtors (current and non-current)			11 528	4 108	15 251	29 239	29 239	29 239	(18 126)	24 503	4 529	4 772
Operating and Capital Grant Revenue	18(1)a		190 731	193 613	238 842	241 540	243 950	243 950	–	238 097	238 877	237 587
Capital expenditure - total	20(1)(vi)		43 884	56 065	70 432	80 335	81 972	81 972	–	102 622	98 697	88 968
Capital expenditure - renewal	20(1)(vi)		–	–	–	–	–	–	–	–	3 925	9 730
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
List operating grants												
										–	–	–
DoRA capital												
List capital grants												
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			11 528	4 108	15 251	(18 126)	24 503	4 529	4 772	–	–	–
Total Operating Revenue												
Total Operating Revenue			203 586	205 505	230 953	276 691	285 074	285 074	–	278 415	295 335	317 918
Total Operating Expenditure												
Total Operating Expenditure			205 671	224 288	243 237	333 826	340 298	340 298	–	283 563	294 466	310 367
Operating Performance Surplus/(Deficit)												
Operating Performance Surplus/(Deficit)			(2 085)	(18 783)	(12 284)	(57 135)	(55 225)	(55 225)	–	(5 148)	869	7 551
Cash and Cash Equivalents (30 June 2012)												
Cash and Cash Equivalents (30 June 2012)										114 642		
Revenue												
% Increase in Total Operating Revenue				0.9%	12.4%	19.8%	3.0%	0.0%	(100.0%)	(2.3%)	6.1%	7.6%
% Increase in Property Rates Revenue				18.1%	1.6%	61.4%	0.0%	0.0%	(100.0%)	5.9%	5.4%	5.4%
% Increase in Electricity Revenue				17.3%	28.6%	5.1%	10.7%	0.0%	(100.0%)	19.5%	5.4%	5.4%
% Increase in Property Rates & Services Charges				16.4%	4.1%	33.2%	9.0%	0.0%	(100.0%)	15.2%	5.4%	5.4%
Expenditure												
% Increase in Total Operating Expenditure				9.1%	8.4%	37.2%	1.9%	0.0%	(100.0%)	(16.7%)	3.8%	5.4%
% Increase in Employee Costs				(0.7%)	13.5%	23.5%	0.6%	0.0%	(100.0%)	0.8%	5.4%	5.4%
% Increase in Electricity Bulk Purchases				11.7%	(6.0%)	32.8%	0.0%	0.0%	(100.0%)	15.6%	5.4%	5.4%
Average Cost Per Budgeted Employee Position (Remuneration)					275999.301	354460.4317				359754.0683		
Average Cost Per Councillor (Remuneration)					353751.0882	364647.0588				374596.9706		
R&M % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.4%	0.4%	0.4%
Asset Renewal and R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		1.0%	2.0%	4.0%
Debt Impairment % of Total Billable Revenue			17.3%	22.3%	3.9%	13.7%	12.5%	12.5%	0.0%	2.5%	2.5%	2.5%
Capital Revenue												
Internally Funded & Other (R'000)			16 097	24 101	19 259	19 102	22 266	22 266	–	24 316	25 629	27 013
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			27 787	31 964	51 173	67 795	65 885	65 885	–	78 306	73 068	61 955
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			63.3%	57.0%	72.7%	78.0%	74.7%	74.7%	0.0%	76.3%	74.0%	69.6%
Capital Expenditure												
Total Capital Programme (R'000)			43 884	56 065	70 432	86 897	88 151	88 151	–	102 622	98 697	88 968
Asset Renewal			–	–	–	–	–	–	–	–	3 925	9 730
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	10.9%
Cash												
Cash Receipts % of Rate Payer & Other			86.0%	68.6%	74.9%	73.1%	69.0%	69.0%	0.0%	95.2%	95.2%	99.9%
Cash Coverage Ratio			0	0	0	0	0	0	–	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.5%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			9 150	7 291	6 245	75 061	72 626	72 626	59 190	129 271	136 250	147 973
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.6%	3.6%	3.6%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	7.2%	6.8%	6.8%		1.9%	1.8%	1.7%
High Level Outcome of Funding Compliance												
Total Operating Revenue			203 586	205 505	230 953	276 691	285 074	285 074	–	278 415	295 335	317 918
Total Operating Expenditure			205 671	224 288	243 237	333 826	340 298	340 298	–	283 563	294 466	310 367
Surplus/(Deficit) Budgeted Operating Statement			(2 085)	(18 783)	(12 284)	(57 135)	(55 225)	(55 225)	–	(5 148)	869	7 551
Surplus/(Deficit) Considering Reserves and Cash Backing			9 150	7 291	6 245	75 061	72 626	72 626	59 190	129 271	136 250	147 973
MTREF Funded (1) / Unfunded (0)			15	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗			15	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Table SA10 Funding measurement

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	51 690	41 918	59 055	106 657	63 259	63 259	–	90 642	43 887	(4 699)
Cash + investments at the yr end less applications - R'000	18(1)b	2	28 557	20 330	42 239	75 061	72 626	72 626	–	70 349	79 042	83 533
Cash year end/monthly employee/supplier payments	18(1)b	3	31.3	20.7	34.6	5.1	3.0	3.0	–	4.0	1.8	(0.2)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	177 140	174 134	220 799	10 660	12 570	12 570	–	1 008	(0)	(0)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	3.0%	(6.0%)	(106.0%)	(7.7%)	(0.6%)	(0.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	633.5%	537.3%	751.1%	73.1%	69.0%	69.0%	0.0%	65.9%	72.1%	72.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	13.7%	12.5%	12.5%	0.0%	12.8%	12.8%	12.8%
Capital payments % of capital expenditure	18(1)c,19	8	93.9%	100.0%	89.4%	109.7%	107.5%	107.5%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	38.2%	102.6%	97.1%	0.0%	0.0%	(100.0%)	0.0%	5.4%	5.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Choose name from list - Supporting Table SA11 Property rates summary

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Valuation:	1									
Date of valuation:					1 July 2017					
Financial year valuation used					2018/2019					
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5				7 614			7 615	8 026	8 460
No. of sectional title values	5				-			-	-	-
No. of unreasonably difficult properties s7(2)					-			-	-	-
No. of supplementary valuations					-			682	719	758
No. of valuation roll amendments					-			63	66	70
No. of objections by rate payers					17			-	-	-
No. of appeals by rate payers					-			-	-	-
No. of successful objections	8				12			-	-	-
No. of successful objections > 10%	8				12			-	-	-
Supplementary valuation								1	1	1
Public service infrastructure value (Rm)	5				1			7	6 870 953	7 241 985
Municipality owned property value (Rm)					75			75	78 717 990	82 968 761
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-

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Choose name from list - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum'ts	Public benefit organs.	Mining Props.
Current Year 2018/19																	
Valuation:																	
No. of properties		6 363	27	223	460	57	100	51	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		6	2	3	1	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		8	3	5	1	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	6	2	3	1	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	6	2	3	1	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		2 905	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,eductns,discs (R'000)																	

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Choose name from list - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum'ts	Public benefit organs.	Mining Props.
Budget Year 2019/20																	
Valuation:																	
No. of properties		6 363	28	223	460	57	100	51	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		29	2	14	612	-	2	23	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		15	5	25	1 080	-	0	7	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		24	2	12	-	-	2	23	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		2 905	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,eductns,discs (R'000)																	

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Choose name from list - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Property rates <i>(rate in the Rand)</i>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates <i>(Rands)</i>									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixd fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
Water usage - flat rate tariff <i>(c/k)</i>									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 <i>(c/k)</i>		(fill in thresholds)							
Water usage - Block 2 <i>(c/k)</i>		(fill in thresholds)							
Water usage - Block 3 <i>(c/k)</i>		(fill in thresholds)							
Water usage - Block 4 <i>(c/k)</i>		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixd fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
Waste water - flat rate tariff <i>(c/k)</i>									
Volumetric charge - Block 1 <i>(c/k)</i>		(fill in structure)							
Volumetric charge - Block 2 <i>(c/k)</i>		(fill in structure)							
Volumetric charge - Block 3 <i>(c/k)</i>		(fill in structure)							
Volumetric charge - Block 4 <i>(c/k)</i>		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixd fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter <i>(c/kwh)</i>									
Flat rate tariff - prepaid <i>(c/kwh)</i>									
Meter - IBT Block 1 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 2 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 3 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 4 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 5 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 1 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 2 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 3 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 4 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 5 <i>(c/kwh)</i>		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixd fee									
80l bin - once a week									
250l bin - once a week									

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Choose name from list - Supporting Table SA14 Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		4 137.40	4 407.98	4 690.09	4 938.66	4 938.66	4 938.66	5.4%	473.21	498.77	525.70
Electricity: Basic levy		804.00	1 459.60	1 503.36	1 606.19	1 606.19	1 606.19	5.4%	141.08	148.70	156.72
Electricity: Consumption		14 532.00	18 013.73	18 431.35	20 245.14	20 245.14	20 245.14	5.4%	1 778.20	1 874.22	1 975.43
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		1 191.00	1 269.61	1 350.86	1 422.46	1 422.46	1 422.46	5.4%	124.94	131.69	138.80
Other											
sub-total		20 664.40	25 150.91	25 975.65	28 212.45	28 212.45	28 212.45	(91.1%)	2 517.43	2 653.37	2 796.65
VAT on Services		2 479.05	3 111.44	3 192.84	3 491.07	3 491.07	3 491.07		306.63	323.19	340.64
Total large household bill:		23 143.45	28 262.35	29 168.49	31 703.51	31 703.51	31 703.51	(91.1%)	2 824.06	2 976.56	3 137.29
% increase/-decrease			22.1%	3.2%	8.7%	-	-		(91.1%)	5.4%	5.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		2 929.40	3 120.98	3 320.72	3 496.72	3 496.72	3 496.72	5.4%	335.05	353.14	372.21
Electricity: Basic levy		804.00	1 459.60	1 503.36	1 606.19	1 606.19	1 606.19	5.4%	141.08	148.70	156.72
Electricity: Consumption		6 060.00	9 070.37	9 319.85	10 403.34	10 403.34	10 403.34	5.4%	913.76	963.10	1 015.11
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		1 191.00	1 269.61	1 350.86	1 422.46	1 422.46	1 422.46	5.4%	124.94	131.69	138.80
Other											
sub-total		10 984.40	14 920.55	15 494.79	16 928.70	16 928.70	16 928.70	(91.1%)	1 514.83	1 596.63	1 682.84
VAT on Services		1 208.25	1 769.94	1 826.11	2 014.80	2 014.80	2 014.80		176.97	186.52	196.59
Total small household bill:		12 192.65	16 690.48	17 320.90	18 943.50	18 943.50	18 943.50	(91.1%)	1 691.79	1 783.15	1 879.44
% increase/-decrease			36.9%	3.8%	9.4%	-	-		(91.1%)	5.4%	5.4%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		2 929.40	1 833.98	1 951.35	2 054.77	2 054.77	2 054.77	(90.4%)	196.88	207.52	218.72
Electricity: Basic levy		804.00	969.28	998.40	1 066.68	1 066.68	1 066.68	(91.2%)	93.69	98.75	104.08
Electricity: Consumption		3 792.00	4 410.30	4 492.98	4 812.60	4 812.60	4 812.60	(91.2%)	422.71	445.53	469.59
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		1 191.00	1 269.61	1 350.86	1 422.46	1 422.46	1 422.46	(91.2%)	124.94	131.69	138.80
Other											
sub-total		8 716.40	8 483.16	8 793.59	9 356.51	9 356.51	9 356.51	(91.0%)	838.22	883.48	931.19
VAT on Services		1 191.00	997.38	1 026.34	1 095.26	1 095.26	1 095.26	#NAME?	96.20	101.40	106.87
Total small household bill:		9 907.40	9 480.53	9 819.93	10 451.77	10 451.77	10 451.77	(91.1%)	934.42	984.88	1 038.06
% increase/-decrease			(4.3%)	3.6%	6.4%	-	-		(91.1%)	5.4%	5.4%

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Choose name from list - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank								112 563	118 642	125 048
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	112 563	118 642	125 048
<u>Entities</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	112 563	118 642	125 048

Choose name from list - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Parent municipality	1													
Name of institution & investment ID														
Parent municipality														
FNB										108 358	506	(24 911)	15 466	99 419
STD Bank										14 941	61	(1 857)	-	13 145
														-
														-
														-
Municipality sub-total										123 299		(26 768)	15 466	112 563
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									123 299		(26 768)	15 466	112 563

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Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		155 898	148 058	168 465	172 495	172 495	172 495	157 094	163 009	172 654
Local Government Equitable Share		132 110	127 070	134 116	138 382	138 382	138 382	152 511	161 309	170 954
EPWP Incentive		1 258	1 863	2 649	1 777	1 777	1 777	2 883	-	-
Integrated National Electrification Programme		20 000	17 500	30 000	25 636	25 636	25 636	-	-	-
Energy Efficiency and Demand Management		-	-	-	5 000	5 000	5 000	-	-	-
Finance Management		1 600	1 625	1 700	-	-	-	-	-	-
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
Financial Management Grant					1 700	1 700	1 700	1 700	1 700	1 700
Provincial Government:		656	750	750	1 250	1 750	1 750	750	750	781
Sport and Recreation		656	750	750	750	750	750	750	750	781
Sport and Recreation				-	500	500	500	-	-	-
Sport and Recreation				-		500	500	-	-	-
Financial Management Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	156 554	148 808	169 215	173 745	174 245	174 245	157 844	163 759	173 435
Capital Transfers and Grants										
National Government:		32 992	42 250	69 622	38 207	38 207	38 207	59 948	60 597	64 152
Municipal Infrastructure Grant (MIG)		32 992	42 250	39 587	38 207	38 207	38 207	38 948	40 997	43 945
		-	-	30 035						
INEP								21 000	19 600	20 207
Provincial Government:		-	-	-	29 588	29 588	29 588	20 305	14 521	-
Premiour Office Grant					29 588	29 588	29 588	20 305	14 521	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	32 992	42 250	69 622	67 795	67 795	67 795	80 253	75 118	64 152
TOTAL RECEIPTS OF TRANSFERS & GRANTS		189 546	191 058	238 837	241 540	242 040	242 040	238 097	238 877	237 587

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Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		155 898	148 058	168 465	172 495	172 495	172 495	178 094	182 609	192 861
Local Government Equitable Share		132 110	127 070	134 116	138 382	138 382	138 382	152 511	161 309	170 954
EPWP Incentive		1 258	1 863	2 649	1 777	1 777	1 777	2 883	–	–
Integrated National Electrification Programme		20 000	17 500	30 000	25 636	25 636	25 636	21 000	19 600	20 207
Energy Efficiency and Demand Management		–	–	–	5 000	5 000	5 000	–	–	–
Finance Management		1 600	1 625	1 700						
Municipal Systems Improvement		930	–	–						
Financial Management Grant					1 700	1 700	1 700	1 700	1 700	1 700
Provincial Government:		656	750	750	1 750	1 750	1 750	750	750	781
Sport and Recreation		656	750	750	750	750	750	750	750	781
Sport and Recreation					500	500	500			
Sport and Recreation					500	500	500			
Financial Management Grant										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		156 554	148 808	169 215	174 245	174 245	174 245	178 844	183 359	193 642
Capital expenditure of Transfers and Grants										
National Government:		32 992	42 250	69 622	38 207	38 207	38 207	38 948	40 997	43 945
Municipal Infrastructure Grant (MIG)		32 992	42 250	39 587	38 207	38 207	38 207	38 948	40 997	43 945
		–	–	30 035						
INEP										
Provincial Government:		–	–	–	–	–	–	–	–	–
Premiour Office Grant										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		32 992	42 250	69 622	38 207	38 207	38 207	38 948	40 997	43 945
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		189 546	191 058	238 837	212 452	212 452	212 452	217 792	224 356	237 587

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Choose name from list - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					–	–	–	–	–	–
Current year receipts					172 495	172 495	172 495	186 094	190 609	200 861
Conditions met - transferred to revenue		–	–	–	172 495	172 495	172 495	186 094	190 609	200 861
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year					–	–	–	–	–	–
Current year receipts					1 250	1 750	1 750	750	750	781
Conditions met - transferred to revenue		–	–	–	1 250	1 750	1 750	750	750	781
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		–	–	–	173 745	174 245	174 245	186 844	191 359	201 642
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					–	–	–	–	–	–
Current year receipts					38 207	38 207	38 207	38 948	40 997	43 945
Conditions met - transferred to revenue		–	–	–	38 207	38 207	38 207	38 948	40 997	43 945
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		–	–	–	38 207	38 207	38 207	38 948	40 997	43 945
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		–	–	–	211 952	212 452	212 452	225 792	232 356	245 587
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

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Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages					8 978	9 181	9 181	9 001	9 487	9 999
Pension and UIF Contributions					-	-	-	-	-	-
Medical Aid Contributions					-	-	-	-	-	-
Motor Vehicle Allowance					2 461	2 461	2 461	2 687	2 832	2 985
Cellphone Allowance					959	959	959	1 048	1 105	1 164
Housing Allowances					-	-	-	-	-	-
Other benefits and allowances					-	-	-	-	-	-
Sub Total - Councillors		-	-	-	12 398	12 601	12 601	12 736	13 424	14 149
% increase	4		-	-	-	1.6%	-	1.1%	5.4%	5.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages					4 104	4 741	4 741	4 569	4 816	5 076
Pension and UIF Contributions					589	589	589	431	454	478
Medical Aid Contributions					133	133	133	157	165	174
Overtime					-	-	-	-	-	-
Performance Bonus					1 311	1 311	1 311	-	-	-
Motor Vehicle Allowance	3				1 291	1 291	1 291	1 657	1 746	1 841
Cellphone Allowance	3				-	-	-	-	-	-
Housing Allowances	3				183	183	183	60	64	67
Other benefits and allowances	3				242	242	242	358	378	398
Payments in lieu of leave					-	-	-	-	-	-
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	-	7 853	8 490	8 490	7 232	7 623	8 035
% increase	4		-	-	-	8.1%	-	(14.8%)	5.4%	5.4%
Other Municipal Staff										
Basic Salaries and Wages					63 766	63 766	63 766	71 112	83 690	88 209
Pension and UIF Contributions					10 904	10 904	10 904	12 202	12 861	13 555
Medical Aid Contributions					3 754	3 754	3 754	3 607	3 802	4 008
Overtime					-	-	-	-	-	-
Performance Bonus					1 579	1 579	1 579	1 752	1 847	1 947
Motor Vehicle Allowance	3				2 736	2 736	2 736	3 398	3 581	3 775
Cellphone Allowance	3				-	-	-	-	-	-
Housing Allowances	3				131	131	131	504	531	560
Other benefits and allowances	3				7 816	7 816	7 816	204	215	227
Payments in lieu of leave					-	-	-	-	-	-
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
Sub Total - Other Municipal Staff		-	-	-	90 687	90 687	90 687	92 780	106 528	112 280
% increase	4		-	-	-	-	-	2.3%	14.8%	5.4%
Total Parent Municipality		-	-	-	110 938	111 779	111 779	112 749	127 575	134 464
			-	-	-	0.8%	-	0.9%	13.1%	5.4%

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Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	-	-	110 938	111 779	111 779	112 749	127 575	134 464
% increase	4		-	-	-	0.8%	-	0.9%	13.1%	5.4%
TOTAL MANAGERS AND STAFF	5.7	-	-	-	98 540	99 177	99 177	100 012	114 151	120 315

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Choose name from list - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		546 176		208 684			754 860
Chief Whip			276 241	–	123 031			399 272
Executive Mayor			732 040	–	253 118			985 158
Deputy Executive Mayor								–
Executive Committee			1 720 246		492 124			2 212 370
Total for all other councillors			5 726 220	–	2 658 417			8 384 637
Total Councillors	8	–	9 000 923	–	3 735 374			12 736 297
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			780 484		801 796			1 582 280
Chief Finance Officer			665 469		578 507			1 243 976
								–
								–
								–
<i>List of each official with packages >= senior manager</i>								
Technical services manager			138 027		835 083			973 110
Corporate services manager			652 922		617 300			1 270 222
Community services Manager			625 522		564 224			1 189 746
Trategic Planning			903 416		69 694			973 110
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	3 765 840	–	3 466 604	–		7 232 444

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Choose name from list - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			34	–	34	34	–	34	34	–	34
Board Members of municipal entities		4									
Municipal employees											
Municipal Manager and Senior Managers		5									
Other Managers		3	6	–	6	6	–	6	6	–	6
Professionals		7	21	21	–	20	20	–	20	20	20
Finance			14	14	–	21	21	–	21	21	21
Spatial/town planning			10	10	–	11	11		11	11	11
Information Technology			1	1	–	5	5		5	5	5
Roads						1	1		1	1	1
Electricity						3	3		3	3	3
Water											
Sanitation											
Refuse											
Other			3	3	–						
Technicians			17	12	5	17	12	5	17	12	12
Finance											
Spatial/town planning						2	2		2	2	2
Information Technology						2	2		2	2	2
Roads			2	2		2	2		2	2	2
Electricity			10	10	–	8	8		8	8	8
Water			–	–		–	–		–	–	–
Sanitation			–	–		–	–		–	–	–
Refuse			–	–		–	–		–	–	–
Other			5	–	5	5		5	5	–	–
Clerks (Clerical and administrative)			82	82	–	87	87	–	87	87	87
Service and sales workers			17	17	–	16	16	–	16	16	16
Skilled agricultural and fishery workers			–	–	–						–
Craft and related trades			–	–	–						–
Plant and Machine Operators			40	40	–	32	32	–	32	32	32
Elementary Occupations			92	92		79	79		79	79	79
TOTAL PERSONNEL NUMBERS		9	323	278	45	312	267	45	312	267	307
% increase						(3.4%)	(4.0%)	–	–	–	582.2%
Total municipal employees headcount		6, 10									
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									

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Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue By Source																
Property rates		2 312	1 850	1 955	1 254	1 851	1 751	2 655	2 855	2 814	2 851	2 850	4 934	29 932	31 548	33 250
Service charges - electricity revenue		2 028	2 541	2 200	2 154	2 090	2 154	2 029	2 154	3 094	3 055	3 061	7 830	34 391	36 248	38 206
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		257	228	265	254	241	221	154	133	257	351	257	4 844	7 461	7 864	8 288
Rental of facilities and equipment		855	600	895	701	766	800	799	851	905	880	891	516	9 459	9 969	10 508
Interest earned - external investments		214	101	255	101	224	151	165	155	266	258	354	324	2 568	2 707	2 853
Interest earned - outstanding debtors		109	98	89	155	109	99	67	108	196	123	114	101	1 369	1 442	1 520
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		19	15	16	23	18	27	16	21	21	20	19	44	259	273	288
Licences and permits		101	255	223	204	223	189	199	167	209	198	189	60	2 217	2 337	2 463
Agency services		39	40	38	55	43	41	39	44	48	64	43	27	520	548	578
Transfers and subsidies		66 000	-	-	-	50 430	-	-	-	43 361	-	-	0	159 791	165 809	175 632
Other revenue		2 878	2 980	3 087	3 058	2 004	2 100	1 988	1 800	2 860	2 654	1 701	2 890	30 000	36 118	43 833
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	448	448	472	498
Total Revenue (excluding capital transfers and contributions)		74 812	8 708	9 023	7 959	57 999	7 533	8 111	8 288	54 031	10 454	9 479	22 019	278 415	295 335	317 918
Expenditure By Type																
Employee related costs		8 810	7 851	9 901	7 881	6 891	8 541	6 851	8 745	7 841	8 800	9 025	8 874	100 012	105 412	111 105
Remuneration of councillors		1 010	1 147	1 200	1 122	1 001	998	1 002	1 305	1 255	1 111	1 354	232	12 736	13 424	14 148
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	0	1 773	1 869	1 970
Depreciation & asset impairment		-	-	11 299	-	-	10 501	-	-	6 698	-	6 000	0	34 498	36 361	38 324
Finance charges		-	-	-	-	-	-	-	-	-	-	-	56	56	59	62
Bulk purchases		2 563 042.92	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	30 757	32 417	34 168
Other materials		188	-	294	-	388	-	288	-	278	-	254	15	1 705	1 797	1 894
Contracted services		4 421	5 000	5 000	4 561	4 084	4 802	3 894	3 458	3 561	3 251	3 012	2 251	47 295	46 810	49 338
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		1 015	2 561	6 005	5 562	4 655	6 897	6 524	4 005	4 561	5 060	5 564	2 322	54 731	56 317	59 358
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		18 007	19 122	36 262	21 689	19 582	34 302	21 122	20 076	26 757	20 785	29 545	16 313	283 563	294 466	310 367
Surplus/(Deficit)																
		56 805	(10 414)	(27 240)	(13 730)	38 417	(26 769)	(13 011)	(11 788)	27 273	(10 331)	(20 067)	5 706	(5 148)	869	7 551
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		26 102	-	-	-	24 322	-	-	-	27 882	-	-	(0)	78 306	73 068	61 955
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
		82 907	(10 414)	(27 240)	(13 730)	62 739	(26 769)	(13 011)	(11 788)	55 155	(10 331)	(20 067)	5 706	73 158	73 937	69 506
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	82 907	(10 414)	(27 240)	(13 730)	62 739	(26 769)	(13 011)	(11 788)	55 155	(10 331)	(20 067)	5 706	73 158	73 937	69 506

ELM 2019 – 2020 FINAL IDP

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

[illegible]

ELM 2019 – 2020 FINAL IDP

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																
Governance and administration		16 440	16 522	18 552	17 552	19 631	18 606	22 421	15 000	18 455	20 566	18 445	7 001	209 191	225 782	244 868
Executive and council														–	–	–
Finance and administration		#####	16 522	18 552	17 552	19 631	18 606	22 421	15 000	18 455	20 566	18 445	7 001	209 191	225 782	244 868
Internal audit														–	–	–
Community and public safety		537	403	443	504	542	608	457	470	448	580	624	821	6 437	3 704	3 897
Community and social services		305 600.00	211	287	259	289	377	231	255	268	288	356	539	3 665	784	817
Sport and recreation		2	3	1	1	2	2	1	1	2	3	2	1	21	22	24
Public safety		229 182.75	189	155	244	251	229	225	214	178	289	266	281	2 750	2 898	3 057
Housing														–	–	–
Health														–	–	–
Economic and environmental services		4 543	4 550	3 925	3 396	5 762	4 556	3 988	2 299	5 779	6 290	4 150	25 588	74 826	71 604	60 612
Planning and development		173 677.92	150	100	131	141	105	174	98	88	289	299	335	2 084	2 194	2 349
Road transport		4 369 000.00	4 400	3 825	3 265	5 621	4 451	3 814	2 201	5 691	6 001	3 851	25 252	72 741	69 410	58 263
Environmental protection														–	–	–
Trading services		5 522	4 079	3 251	4 105	7 125	8 821	6 255	3 258	5 549	3 905	5 126	9 272	66 267	67 312	70 495
Energy sources		4 900 561.42	3 800	2 996	3 864	6 874	8 560	5 978	3 052	5 261	3 651	4 851	5 019	58 807	59 448	62 207
Water management														–	–	–
Waste water management														–	–	–
Waste management		621 728.67	279	255	241	251	261	277	206	288	254	275	4 253	7 461	7 864	8 288
Other														–	–	–
Total Revenue - Functional		27 042	25 554	26 171	25 557	33 060	32 592	33 121	21 027	30 231	31 341	28 345	42 681	356 721	368 403	379 873
Expenditure - Functional																
Governance and administration		14 349	12 461	12 503	9 111	11 921	11 032	15 572	13 853	13 202	11 704	10 415	4 656	140 778	147 009	154 948
Executive and council		4 237 512.92	5 500	4 871	1 254	5 621	4 871	4 572	4 002	5 641	5 201	4 021	1 059	50 850	53 596	56 490
Finance and administration		10 111	6 961	7 632	7 857	6 300	6 161	11 000	9 851	7 561	6 503	6 394	3 596	89 927	93 413	98 458
Internal audit														–	–	–
Community and public safety		2 051	1 600	2 019	1 866	1 987	2 151	2 210	1 731	1 851	2 184	2 587	2 375	24 613	22 903	24 140
Community and social services		568 421.67	400	388	451	396	900	361	561	600	735	836	624	6 821	4 151	4 375
Sport and recreation		698 108.67	500	951	865	661	500	784	405	600	588	699	1 127	8 377	8 830	9 306
Public safety		784 511.50	700	680	550	930	751	1 065	765	651	861	1 052	625	9 414	9 923	10 458
Housing														–	–	–
Health														–	–	–
Economic and environmental services		4 752	4 112	3 600	4 661	5 562	3 552	5 721	6 222	5 302	6 131	5 052	2 361	57 029	60 108	63 354
Planning and development		1 242	900	800	1 010	2 541	1 201	1 100	1 861	851	1 851	1 201	341	14 898	15 703	16 550
Road transport		3 510 889.42	3 212	2 800	3 651	3 021	2 351	4 621	4 361	4 451	4 280	3 851	2 021	42 131	44 406	46 803
Environmental protection														–	–	–
Trading services		5 095	5 851	3 501	2 852	3 571	5 112	3 549	5 015	5 441	6 102	9 741	5 313	61 144	64 446	67 926
Energy sources		3 676 400.58	4 851	2 521	1 951	2 561	3 861	2 561	3 961	3 241	3 751	7 541	3 640	44 117	46 499	49 010
Water management														–	–	–
Waste water management														–	–	–
Waste management		1 419	1 000	980	901	1 010	1 251	988	1 054	2 200	2 351	2 200	1 673	17 027	17 946	18 916
Other														–	–	–
Total Expenditure - Functional		26 247	24 024	21 623	18 490	23 041	21 847	27 052	26 821	25 796	26 121	27 795	14 705	283 563	294 466	310 367
Surplus/(Deficit) before assoc.		794	1 530	4 548	7 067	10 019	10 745	6 069	(5 794)	4 435	5 220	550	27 976	73 158	73 937	69 506
Share of surplus/ (deficit) of associate														–	–	–
Surplus/(Deficit)	1	794	1 530	4 548	7 067	10 019	10 745	6 069	(5 794)	4 435	5 220	550	27 976	73 158	73 937	69 506

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Multi-year expenditure to be appropriated	1												-	-	-	-
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget and Treasury													-	-	-	-
Vote 3 - Corporate dmin													-	-	-	-
Vote 4 - Community Services													-	-	-	-
Vote 5 - Strategic Planning Development													-	-	-	-
Vote 6 - Infrastructure Planning & Development													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		103	115	298	99	187	266	121	244	66	255	157	39	1 950	2 055	2 166
Vote 2 - Budget and Treasury		200	301	251	161	356	288	271	119	234	105	336	5	2 627	2 769	2 919
Vote 3 - Corporate dmin		25	17	19	13	25	13	17	19	16	10	19	2 157	2 350	2 477	2 611
Vote 4 - Community Services		46	151	69	78	46	73	65	62	42	33	98	1 571	2 334	2 460	2 593
Vote 5 - Strategic Planning Development		99	89	104	100	89	77	66	55	147	100	132	128	1 185	1 249	1 316
Vote 6 - Infrastructure Planning & Development		2 888	3 125	1 652	13 437	3 021	14 518	5 550	6 004	18 751	8 981	7 851	6 397	92 176	87 687	77 363
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	3 361	3 798	2 393	13 888	3 724	15 235	6 090	6 503	19 256	9 484	8 593	10 296	102 622	98 697	88 968
Total Capital Expenditure	2	3 361	3 798	2 393	13 888	3 724	15 235	6 090	6 503	19 256	9 484	8 593	10 296	102 622	98 697	88 968

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Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
Governance and administration		433	365	356	336	352	376	387	306	387	417	520	2 693	6 927	7 301	7 696
Executive and council		115	110	109	108	98	89	88	105	99	112	115	802	1 950	2 055	2 166
Finance and administration		318	255	247	228	254	287	299	201	288	305	405	1 890	4 977	5 246	5 529
Internal audit																
Community and public safety		11	19	21	10	808	17	18	11	10	12	13	13	962	1 014	1 069
Community and social services		11	19	21	10	8	17	18	11	10	12	13	13	162	171	180
Sport and recreation						800								800	843	889
Public safety																
Housing																
Health																
Economic and environmental services		4 167	3 923	3 801	3 598	3 864	5 457	5 629	7 127	8 119	8 116	8 041	2 360	64 202	60 737	49 409
Planning and development		103	98	97	88	79	69	78	66	78	102	190	137	1 185	1 249	1 316
Road transport		4 064	3 825	3 704	3 510	3 785	5 388	5 551	7 061	8 041	8 014	7 851	2 223	63 017	59 488	48 093
Environmental protection																
Trading services		1 911	2 050	2 121	1 534	3 054	4 356	2 551	3 054	2 810	2 754	2 664	1 672	30 531	29 645	30 795
Energy sources		1 911	2 050	2 121	1 534	3 054	3 156	2 551	3 054	2 810	2 754	2 664	1 500	29 159	28 199	29 270
Water management																
Waste water management																
Waste management						1 200							172	1 372	1 446	1 524
Other																
Total Capital Expenditure - Functional	2	6 522	6 357	6 299	5 478	8 078	10 206	8 585	10 498	11 326	11 299	11 238	6 737	102 622	98 697	88 968
Funded by:																
National Government		19 333				23 521				15 147			(0)	58 001	58 547	61 955
Provincial Government		6 768				7 000				6 537			(0)	20 305	14 521	
District Municipality																
Other transfers and grants																
Transfers recognised - capital		26 101				30 521				21 684			(1)	78 306	73 068	61 955
Borrowing																
Internally generated funds		550	1 541	2 000	2 651	2 851	1 561	3 074	2 541	1 500	1 841	2 874	1 332	24 316	25 629	27 013
Total Capital Funding		26 651	1 541	2 000	2 651	33 372	1 561	3 074	2 541	23 184	1 841	2 874	1 332	102 622	98 697	88 968

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	R thousand	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source														1		
Property rates		2 312 000.00	1 850	1 955	1 254	1 851	1 751	1 654	2 800	2 051	1 844	1 864	7 249	28 435	29 248	36 827
Service charges - electricity revenue		2 028 466.67	2 541	3 200	3 154	3 090	3 154	3 029	2 154	2 800	3 050	2 061	2 410	32 671	34 436	36 295
Service charges - water revenue		-	-													
Service charges - sanitation revenue		-	-													
Service charges - refuse revenue		990 000.00	558	817	554	541	621	554	651	557	451	561	233	7 088	7 471	7 874
Rental of facilities and equipment		855	600	895	701	766	800	799	851	905	880	891	44	8 986	9 471	9 983
Interest earned - external investments		214	101	255	101	224	151	165	155	266	258	354	324	2 568	2 707	2 853
Interest earned - outstanding debtors		109	98	89	155	109	99	67	108	196	123	114	34	1 301	1 371	1 445
Dividends received		-														
Fines, penalties and forfeits		19	15	16	23	18	27	16	21	21	20	19	31	246	259	273
Licences and permits		101	255	223	204	223	189	199	266	254	245	223	219	2 601	2 742	2 890
Agency services																
Transfer receipts - operational		56 333	-	-	-	55 263	-	-	-	48 194	-	-	(0)	159 791	165 809	175 632
Other revenue		3 064	3 166	1 958	3 273	1 958	2 286	2 174	2 240	2 727	2 840	3 000	1 315	30 000	36 620	44 597
Cash Receipts by Source		66 026	9 184	9 408	9 419	64 044	9 078	8 657	9 246	57 971	9 711	9 087	11 858	273 687	290 133	318 670
Other Cash Flows by Source																
Transfer receipts - capital		26 102				25 354				26 850			(0)	78 306	73 068	61 955
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)		-				-				-			-	-	-	-
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (Increase) in non-current debtors																
Decrease (Increase) other non-current receivables																
Decrease (Increase) in non-current investments																
Total Cash Receipts by Source		92 128	9 184	9 408	9 419	89 398	9 078	8 657	9 246	84 821	9 711	9 087	11 858	351 993	363 201	380 624
Cash Payments by Type																
Employee related costs		8 379 000.00	7 851	9 901	7 881	9 954	9 634	9 988	8 745	7 854	8 800	6 025	5 000	100 012	105 413	111 105
Remuneration of councillors		1 010 000.00	1 147	1 200	1 122	1 001	998	1 002	1 305	1 255	1 111	1 354	231	12 736	13 424	14 148
Finance charges													56	56	59	62
Bulk purchases - Electricity		2 331 833.33	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	5 107	30 757	32 417	34 168
Bulk purchases - Water & Sewer																
Other materials		188		294		388		288		278		254	15	1 705	1 797	1 894
Contracted services		4 472 000.00	5 161	3 151	2 712	4 661	3 939	3 002	2 602	4 152	6 951	3 251	3 241	47 295	46 810	49 338
Transfers and grants - other municipalities																
Transfers and grants - other																
Other expenditure		3 756	3 851	3 366	3 764	4 985	3 985	3 897	6 651	5 638	5 412	4 489	4 937	54 731	56 317	59 358
Cash Payments by Type		20 137	20 342	20 244	17 811	23 321	20 888	20 509	21 635	21 509	24 606	17 705	18 587	247 292	256 237	270 073
Other Cash Flows/Payments by Type																
Capital assets		6 500 000.00	6 000	7 000	8 500	9 000	9 000	10 561	9 564	10 591	10 514	12 451	2 941	102 622	98 697	88 968
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type		26 637	26 342	27 244	26 311	32 321	29 888	31 070	31 199	32 100	35 120	30 156	21 528	349 914	354 934	359 041
NET INCREASE/(DECREASE) IN CASH HELD		65 491	(17 158)	(17 836)	(16 892)	57 077	(20 810)	(22 413)	(21 953)	52 721	(25 409)	(21 069)	(9 670)	2 079	8 267	21 583
Cash/cash equivalents at the month/year begin:		112 563	178 054	160 896	143 060	126 168	183 245	162 435	140 022	118 069	170 790	145 381	124 313	112 563	114 642	122 909
Cash/cash equivalents at the month/year end:		178 054	160 896	143 060	126 168	183 245	162 435	140 022	118 069	170 790	145 381	124 313	114 642	114 642	122 909	144 492

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Choose name from list - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.7.5. Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

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Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		25 989	35 358	51 173	–	–	–	92 286	87 803	77 486
Roads Infrastructure		–	17 796	51 173	–	–	–	62 955	59 423	48 024
Roads			17 796	51 173				62 955	59 423	48 024
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		25 989	14 168	–	–	–	–	–	–	–
Drainage Collection		25 989	14 168							
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	3 394	–	–	–	–	29 159	28 199	29 270
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors			3 394					29 159	28 199	29 270
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	172	182	191
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities								172	182	191
Electricity Generation Facilities										
Capital Spares										

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Other assets		17 894	20 707	19 259	-	-	-	3 133	3 302	3 480
Operational Buildings		17 894	20 707	19 259	-	-	-	3 133	3 302	3 480
Municipal Offices		17 894	20 707	19 259				2 133	2 248	2 369
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares								1 000	1 054	1 111
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	-	-	-	-	-	661	696	734
Computer Equipment								661	696	734
Furniture and Office Equipment		-	-	-	-	-	-	738	777	819
Furniture and Office Equipment								738	777	819
Machinery and Equipment		-	-	-	-	-	-	2 105	2 219	2 338
Machinery and Equipment								2 105	2 219	2 338
Transport Assets		-	-	-	-	-	-	3 700	3 900	4 110
Transport Assets								3 700	3 900	4 110
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	43 884	56 065	70 432	-	-	-	102 622	98 697	88 968

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Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
<u>Other assets</u>		-	-	-	-	-	-	1 705	1 797	1 894
Operational Buildings		-	-	-	-	-	-	1 705	1 797	1 894
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares								1 705	1 797	1 894
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	1 705	1 797	1 894
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.5%	0.5%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%

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Choose name from list - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	-	-	-	-	-	23 137	25 188	25 704
Roads Infrastructure		-	-	-	-	-	-	21 167	22 310	23 515
Roads								21 167	22 310	23 515
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	1 970	2 878	2 189
Power Plants										
HV Substations								1 970	2 878	2 189
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	6 352	5 894	7 056
Furniture and Office Equipment								6 352	5 894	7 056
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>		-	-	-	-	-	-	5 009	5 279	5 564
Transport Assets								5 009	5 279	5 564
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	-	-	-	-	-	-	34 498	36 361	38 324

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Choose name from list - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive & Council		1 950	2 055	2 166				
Vote 2 - Budget and Treasury		2 627	2 769	2 919				
Vote 3 - Corporate dmin		2 350	2 477	2 611				
Vote 4 - Community Services		2 334	2 460	2 593				
Vote 5 - Strategic Planning Development		1 185	1 249	1 316				
Vote 6 - Infrastructure Planning & Development		92 176	87 687	77 363				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		102 622	98 697	88 968	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive & Council		1 950	2 055	2 166	2 283	2 406	2 536	2 673
Vote 2 - Budget and Treasury		2 627	2 769	2 919	3 077	3 243	3 418	3 602
Vote 3 - Corporate dmin		2 350	2 477	2 611	2 752	2 901	3 057	3 222
Vote 4 - Community Services		2 334	2 460	2 593	2 733	2 881	3 036	3 200
Vote 5 - Strategic Planning Development		1 185	1 249	1 316	1 387	1 462	1 541	1 624
Vote 6 - Infrastructure Planning & Development		92 176	87 687	77 363	81 541	85 944	90 585	95 476
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		102 622	98 697	88 968	93 772	98 836	104 173	109 798
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		205 244	197 394	177 936	93 772	98 836	104 173	109 798

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Choose name from list - Supporting Table SA36 Detailed capital budget

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	2019/20 Medium Term Revenue & Expenditure Framework				
												Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:																
List of capital projects grouped by Function																
Municipal Manager Town Secretary and Clerk	FURNITURE & OFFICE EQUIPMENT													150	158	167
Municipal Manager Town Secretary and Clerk	Computer Equipment													100	105	111
Mayor and Council: Speaker	MOTOR VEHICLE - SPEAKER													850	896	944
Mayor and Council: MAYOR	MOTOR VEHICLE - MAYOR													850	896	944
Budget and Treasury Office: Finance	Computer Equipment													360	380	400
Budget and Treasury Office: Finance	Furniture and Office Equipment													134	142	149
Budget and Treasury Office: Finance	MUNICIPAL BUILDINGS													2 133	2 248	2 369
Human Resources: Human Resources	Cost Acquisitions													200	211	222
Administrative and Corporate Support: Corporate Support	Municipal Light													350	369	389
Administrative and Corporate Support: Corporate Support	Access control													1 800	1 897	2 000
Community Halls and Facilities: ADMINISTRATION	FURNITURE & OFFICE EQUIPMENT													100	105	111
Community Halls and Facilities: ADMINISTRATION	COMPUTER EQUIPMENT													62	65	69
Police Forces Traffic and Street Parking Control	MOTOR VEHICLES													800	843	889
Street Adm	CONTAINER CITY DEVELOPMENT													1 000	1 054	1 111
Street Adm	Cost Acquisitions													85	90	94
Street Adm	STRATEGIC ADMIN NEW FURNITURE													100	105	111
Solid waste	GREENEST TOWN TROLLEY BINS													172	181	191
Solid waste	MOTOR VEHICLE(S/TB)													1 200	1 265	1 333
Electricity: Infrastructure	NETWORK UPGRADE													1 139	1 200	1 265
Electricity: Infrastructure	INSTALL OF HIGH MASTS													1 937	2 042	2 152
Electricity: Infrastructure	STREET LIGHTS													1 083	1 141	1 203
Electricity: Infrastructure	Computer Equipment (NEP Projects)													21 000	19 600	20 207
Electricity: Infrastructure	Smart Meters													4 000	4 216	4 444
ROAD INFRASTRUCTURE	Maintenance of Computer equipment													53	56	59
ROAD INFRASTRUCTURE	Maintenance of Furniture & office equipment													53	56	59
ROAD INFRASTRUCTURE	PREMERS OFFICE													20 305	14 521	-
ROAD INFRASTRUCTURE	Leased													2 105	2 219	2 338
ROAD INFRASTRUCTURE	Polar Park access bridge													500	527	555
ROAD INFRASTRUCTURE	Thembekeni bridge													1 800	1 897	2 000
ROAD INFRASTRUCTURE	Dengwane													-	-	-
ROAD INFRASTRUCTURE	Stormwater Ntshunthulu													1 200	1 265	1 333
ROAD INFRASTRUCTURE	Upgrading of Somerville Streets - Phase 2							Roads	Ward 03					3 500		
ROAD INFRASTRUCTURE	Upgrading of Sihole Streets & Stormwater							Road Structures	Ward 9					1 406		
ROAD INFRASTRUCTURE	Upgrading of Vincent Streets & Stormwater							Road Structures	Ward 3					3 074		
ROAD INFRASTRUCTURE	Upgrading access road							Roads	Ward 11					5 615		
ROAD INFRASTRUCTURE	Construction of T83 to Platana Access Road & Bridge							Roads	Ward 5					2 000		
ROAD INFRASTRUCTURE	Construction of Ntshunthulu Access Road							Roads	Ward 9					2 559		
ROAD INFRASTRUCTURE	T83 to Upper Tabana Access Road							Roads	Ward 13					7 425		
ROAD INFRASTRUCTURE	Lower Tabana Community Centre							Road Structures	Ward 17					1 500		
ROAD INFRASTRUCTURE	Upgrading & Rehabilitation of Maseru Road (Cluster 1 Roads) - Phase 1							Road Structures	Ward 4					2 715		
ROAD INFRASTRUCTURE	Koobong Access Road							Roads	Ward 2					6 206		
ROAD INFRASTRUCTURE	Upgrading of Kwaqoqo Access Road							Roads	Ward 15					4 844		
ROAD INFRASTRUCTURE	Upgrading & Rehabilitation of Maseru Road (Cluster 1 Roads) - Phase 1							Roads	Ward 12					14 963		13 850
ROAD INFRASTRUCTURE	Lower Sihana							Roads	Ward 4					5 750		7 500
ROAD INFRASTRUCTURE	Upgrading of Greenfields Streets & Stormwater							Road Structures	Ward 13					5 500		7 100
ROAD INFRASTRUCTURE	Lower Sihana							Roads	Ward 3					2 390		4 500
ROAD INFRASTRUCTURE	Construction of Cherry Chase Access Road							Road Structures	Ward 12					4 500		4 500
ROAD INFRASTRUCTURE	Temben housing project: Infrastructure							Road Structures	Ward 5					4 500		4 500
ROAD INFRASTRUCTURE	Community Hall for ward 15 in Tlhal Authority							Road Structures	Ward 12					4 500		4 500
ROAD INFRASTRUCTURE	Community Hall for ward 06							Road Structures	Ward 17					5 748		5 748
ROAD INFRASTRUCTURE	Community Hall for ward 15							Road Structures	Ward 2							
ROAD INFRASTRUCTURE	Lange Rhina Bridge							Road Structures	Ward 2							
Parent Capital expenditure												-	-	162 622	98 697	88 968

2.7.6. IDP & Budget Process

The preparation of both the 2019/2020 IDP and Budget was guided by following schedule of key deadlines contained in the IDP & Budget Process Plan that was developed and approved by Council on August 2018.

2.8. Audit Reports

Below is the history of audit reports achieved by the municipality for the past five (5) financial years:

- ✓ Unqualified 2013/2014
- ✓ Unqualified 2014/2015 – one compliance finding
- ✓ Unqualified 2015/2016 - one compliance finding
- ✓ Unqualified 2016/2017 – three compliance findings
- ✓ Adverse opinion 2017/2018

2.9. Audit Response Plan 2017/2018

It is to be noted that all matters contained in action plan presented have been adequately addressed

COMPONENT C: AUDIT RESPONSE PLAN

ELUNDINI LOCAL MUNICIPALITY

AUDIT ACTION PLAN: 2019

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	Ref	Component	Rating	Query	Audit finding	Auditor's Recommendation	Management Response	Auditor's conclusion	Progress	Responsible Official	External assistance	Target date	Remedial action	Progress from last report date
1	CoAF 17	Asset Management	Matters affecting the audit report	Existence of infrastructure assets could not be verified	The infrastructure asset register did not have location for all the infrastructure assets owned by the municipality. Furthermore the following infrastructure asset could not be verified since they could not be located	The Asset Manager should prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Management is not in agreement with the finding. All 27 assets listed above were physically verified with the staff from the Office of the Auditor General.	Management response noted and in agreement that all 27 assets where found but it was also noted that T83 to Platana Access Road & Bridge was never completed but it was capitalized to completed projects. We requested management to clean up the population and we retested completed assets and identified impairment issues with assets, we then reverted	20%	Sisa Mveku	Mubesko Africa	2019-03-31	1. Physical verification of all infrastructure assets and establish if they were correctly capitalised and conduct impairment testing. 2. Revisit the entire infrastructure asset base and test for impairment. 3. Reconstruct the GIS system and reconcile the infrastructure asset register to GIS system. 4. Assign asset	1. GIS specialists are updating the GIS system to assist reconcile it with road infrastructure assets. 2. Land & buildings have already been physically verified. 3. The verification of movable assets is underway, with locations and conditional assessment.

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								to our initial issue of T83 to Platana Access Road Bridge and reported on the extrapolated error of R29 570 340.					locations to all assets	
2	CoAF 10	Asset Management	Matters affecting the audit report	Depreciation incorrectly calculated	Management did not account for depreciation for Aircon Ventilation Ducting IPD Offices with asset code war001, resulting in a misstatement of R172,802. There are was no review processes to ensure that the assets are all recorded. The Depreciation results in an actual misstatement of R172,802	Management must ensure they depreciate all their assets	Management is partially in agreement with this finding. The affected asset was not depreciated, however, the auditors' depreciation amount is incorrect. Management went to the entire movable asset population and established that of the 32 assets that they did not depreciate, only 19 should	Management response noted and finding will remain as management agrees.	90%	Sisa Mveku	Mubesko Africa	2019-03-31	1. Revisit the asset useful lives by asset class and obtain collaborating evidence for selected useful life estimate. 2. Recalculate depreciation and update asset register and restate balances.	1. Revised proposed useful lives have been assigned to all asset classes. They will be discussed with AG during planning. 2. A process of ensuring that depreciation calculation is complete for all assets will be finalised by 31/03/2019.

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					and a projection amount of R4,693,137.		have depreciated. The amount management will process to depreciation and accumulated depreciation is an amount of R75,195-31.							
3	CoAF 16	Grants	Matters affecting the audit report	Incorrect classification of expenditure as operating grant expenditure	During the audit of operational grant expenditure we noted that certain expenditure was incorrectly classified. This is due to conditional grant expenditure not being utilised according to the condition	The Chief Finance Officer should implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Furthermore The Chief Financial Officer should process adjusting	Management agrees to the extent that general expenditure has been misclassified as operating expenditure. This is due to the fact that an account containing both operational and general expenditure was mapped. In the new	Management response noted, issued on misclassification remains and will be reported on.	50%	Funeka Mbaliswana		2019-03-31	1. Remove operating grant expenditure line-item and replace with item by nature 2. Revisit previous year transactions and assess whether any additional journals are required.	1. We have done away with the line item called operational grant expenditure. The only item that will be left in this category will be rural electrification. 2. Documentation to support conditional grants met is

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of the grant and prematurely recognising that revenue. This results in the overstatement of operating grant expenditure and understatement of general expenditure by the projected amount of R5,872,642.45 Due to the expenditure not according to the condition of the grant this will also have effect on: Revenue to	journals to correct the incorrect classification. The entire population should be reviewed to ensure that there are no other transactions incorrectly classified.	year we will have a dedicated account to process grant operational expenditure. Management is not in agreement with the fact that Operating grant expenditure is overstated as specific vendors for operating grant expenditure is traceable per vendor. Operating grant expenditure may have been
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being compiled.

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					be overstated as the condition of the grant was not met and understated of the liability.		misclassified, but it has never been incurred fully in accordance with the conditions stipulated in the grant, and any unspent funds were, accounted for accordingly, as unspent conditional grants.							
4	CoAF 18	Annual financial statements	Matters affecting the audit report	Cash flows statement: Understatement of cash generated from operations and cash flows from investments	There have been identified differences between reported amounts on the face of the statement of cash flows, together with supporting notes, and	Management should re-perform all calculations for amounts presented on the statement of cash flows for the year ended to ensure that it is prepared in accordance with the guidance provided for GRAP 2.	Management partially agrees with the finding. The pre-payments amount automatically came in the cash flow by formula. The formula has been	Management response noted and management is in agreement therefore finding will remain and be reported on.	0%	Jack Mdeni	Hendrik Louw	T.B.C	1. Cash flow to be corrected once all the amendments to 2017/18 has been made to the AFS.	Not started

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					amounts recalculated by the auditor. This is caused by lack of effective review process around the preparation of the annual financial statements and supporting schedules. This results in cash generated from operating activities being understated by R 1 617 924, and cash outflows from investing activities being understated by R 1 643 701.	Management should also adjust the statement of cash flows for other audit misstatements already communicated as part of the audit of account balances and classes of transactions. Failure to consider these misstatements/adjustments could result in the statement of cash flows being materially misstated.	amended. The cash flow statement in the adjusted AFS has been corrected accordingly.							
5	CoAF 7	Annual financial statements	Matters affecting the audit report	Commitments - Disclosure note not in the AFS	The municipality did not disclose the amount of contractual commitments	Management should have a disclosure checklist against which final annual financial statements can be	We are in agreement that the Capital Commitment were not	Management has agreed with the finding and promised to effect necessary corrections.	0%	Jack Mdeni	Leandra Oosthuizen	T.B.C	1. Will be recalculated once finding 11 and 12 (Creditors) has been finalised.	Not started

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for acquisition of assets at year-end. This is caused by ineffective review processes around preparation of the annual financial statements and supporting notes. This results in commitments being understated by R 34 571 193.76. This is a material misstatement.

checked to ensure that all relevant disclosures are provided for in line with the reporting framework.

disclosed in the AFS.

Management then submitted proposed corrections to the amount of R34 571 193.76, which were audited satisfactorily, and factual understatement misstatement of R1 503 638 was identified and communicated to management.

However, subsequent to the above audit work, management submitted final adjusted annual financial statements, and the amount reflected on these adjusted annual financial statement was different from the

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amount initially audited. A factual limitation misstatement then resulted, begin the difference between what has actually been disclosed, and what has been audited. This material understatement in commitments has been accumulated and included summary of uncorrected misstatements for evaluation against materials, see below for details of the amount:

Audited amount:
R 36 074 830.74
Amount per
adjusted AFS: R
28 538 663

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								Factual understatement: R 7 536 167.74						
6	CoAF 15	Annual financial statements	Matters affecting the audit report	Accuracy - Commitments	The municipality disclosed an incorrect amount of contractual commitments for construction of assets at year-end. The incorrect is caused by ineffective review processes around preparation of the annual financial statements and supporting notes. This results in commitments and liabilities being understated by R1 503 637.07.	Management must ensure that the proper reviews are performed before the annual financial statements are submitted.	No management response received.	Management has not corrected the misstatement, and it will be reported on in the management report and accumulated for evaluation against final materiality.	0%	Sisa Mveku	Leandra Oosthuizen	T.B.C	1. Will be recalculated once finding 11 and 12 (Creditors) has been finalised.	Not started

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7	CoAF 1	Annual financial statements	Matters affecting the audit report	Differences between GL, TB and AFS	1. The municipality could not provide the auditors with a detailed General Ledger that agrees to Trial Balance and the financial statements, furthermore 2. There are differences between the Annual financial statements and the Trial balance for the following line items. The cause of the differences between the Financial statements and the trial balance and Asset register is due	Management must ensure that the Trial Balance agrees to the Annual Financial Statements by contently reviewing the Trial Balance, General edger and the Annual Financial Statements.	1. Management is in agreement with the finding. Final adjusted AFS, TB and GL will be provided. 2. Management is in agreement with the finding. Schedules showing reconciliations between TB and AFS have been provided in response to this finding. 3. Management is in agreement with the finding. A reconciliation of asset register and AFS has been provided in response to	10%	Jack Mdeni	Hendrik Louw	2019-03-31	1. Arrange meeting with AG to discuss Auditors Conclusion 2. Revisit the mapping of the prior year. A working paper should also be created in order to show the AG the previous mapping vs current mapping.	1. A debriefing meeting was held with AG on 25/02/2019. A process of revisiting the mapping is underway.
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					to the lack of review of the Trial Balance and the Annual Financial statements by Management.		this finding. 4. Management is in agreement with this finding. A final set of AFS where the notes have been updated to agree to the face of the AFS will be provided.							
8	No CoAF	Revenue management	Matters affecting the audit report	Interest on Receivables from exchange transactions is inaccurately recorded	During the Audit of Receivables from Exchange it was noted that the receivables are not Accurately valued. There are no reviews performed of the transactions passed on the General ledger. The misstatement results in a	Management must ensure they have controls over daily and monthly processing of transactions and reviews are performed transactions before being posted to the AFS.	No management response received.	The finding remains and will be reported on.	10%	Bukelwa Dlodlo		2019-02-28	1. Request AGSA calculations by setting up meeting with AGSA.	

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					projected amount of R108,000.									
9	No CoAF	Annual financial statements	Matters affecting the audit report	No support for the differences between Draft AFS and Final AFS	During the Audit it was noted that the following Amounts reflected on the Annual financial statements without any supporting documentation . The AFS are misstated by an actual amount of R16 699 950.	Management should ensure safeguarding of supporting documents and should take reasonable steps to ensure that all supporting Documentation is supplied to the Auditor General.	No management response received.	The finding remains and will be reported on.	10%	Jack Mdeni		2019-03-31	1. This finding will also be addressed as part of finding 7. 2. Any journals processed will investigated and assessed and should be included as part of a working paper to be provided to the AG.	
10	CoAF 10	Expenditure management	Matters affecting the audit report	Repairs and maintenance are overstated.	During the Audit of repairs and maintenance it was noted that the following transactions, included in expenditure, are incorrectly classified. There are no reviews	Management must ensure they have controls over daily and monthly processing of transactions and reviews are performed transactions before being posted to the AFS.	Management is partially in agreement with this finding. A credit note was processed to Ugie McQuarry (R198 500.00) and a corrected amount was processed. A proposed	Management response noted and since management is in agreement the finding will remain and be reported on.	10%	Bukelwa Dlodlo		2019-03-31	1. Remove Repairs and Maintenance line-item from AFS and break it down into components by nature (as per ASB FAQ)2. Review current year GL to ensure to there are no material	1. The process of checking for misallocations is underway.2. Repairs and maintenance will be removed as line item.

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					performed of the transactions passed on the General ledger.The repairs and maintenance are overstated by:• An Actual amount of R139 505• A projected amount of R1 203 830The Following amount are understated:• Departmental Revenue by a projected amount of R660 038• Input Vat account by a projected amount of R543 792		journal is attached to correct the effect of the other misstatements. The journal file name is called CoAf 10 Repairs Correction journal.						misallocations. Prepare journals in this regard.3. Implementation of a thorough VAT review. Setup meeting with VAT Specialist	
11	CoAF 11	Expenditure management	Matters affecting the audit report	Overstatement of payables	The following employees have been included in the	Management should ensure that timeous reviews of the Annual Financial	Management agrees with the finding and will clean up the	Management response noted and further tested the	10%	Bukelwa Dlodlo		2019-03-08	1. Perform monthly creditors reconciliations	1. The process of checking for misallocations is underway.

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				<p>creditors listing as accounts payables, when these employees were already paid during the period under review: When transactions were captured into the new accounting system most transactions were duplicated and the duplicated transactions were not all reversed at year end. This results in overstatement of creditors by a projected amount of R6 755 006 which is material and an overstatement</p>	<p>Statements are performed before they are submitted for an audit.</p>	<p>whole population on creditors.</p>	<p>cleaned up population and further errors were identified therefore we reverted back to the initial error of a projected amount of R7 527 673.08 and it was reported on.</p> <p>Management should apply a correct recognition criteria for liabilities and keep proper records.</p>				<p>supported by creditors statements and investigate and timeously correct reconciling items.</p> <p>2. Trace outstanding creditors to subsequent bank statements as an additional precautionary measure.</p> <p>3. Clear prior incorrect outstanding creditors and restate AFS.</p>	<p>2. Currently we are in November 2017.</p>
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					of cash and bank.									
12	CoAF 1	Annual financial statements	Matters affecting the audit report	Accounts Payable: (Differences between TB and AFS)	There is a difference between accounts payable per the trial balance and those disclosed in the AFS. There is no reconciliation performed between the Trial balance and Financial Statements. The Financial Statements are overstated by an amount of R2 753 826,12.	Management should ensure that AFS are reconciled to the TB. Further, management should ensure that proper reviews are performed on financial information recorded.	1. Management is in agreement with the finding. Final adjusted AFS, TB and GL will be provided. 2. Management is in agreement with the finding. Schedules showing reconciliations between TB and AFS have been provided in response to this finding. 3. Management is in agreement with the finding. A reconciliation of asset register and AFS has been	Management response noted, and further inspected the adjustments made and conclusion was reached.	10%	Jack Mdeni		2019-03-31	1. Arrange meeting with AGSA to discuss comments 2. This finding will also be addressed as part of finding 7.	

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							provided in response to this finding. 4. Management is in agreement with the finding. A final set of AFS where the notes have been updated to agree to the face of the AFS will be provided.							
13	CoAF 9	Annual financial statements	Other Important matters	Disclosure: Other Financial risks	During the audit of the disclosures in relation to financial instruments (Note 43), it was noted that the municipality inadequately disclosed the credit risk associated with the holding of financial assets	Management should have a disclosure checklist against which final annual financial statements can be checked to ensure that all relevant disclosures are provided for in line with the reporting framework.	Management is in agreement with the finding. The AFS will be adjusted and the disclosures will be reflected in the final AFS.	Management response noted and finding will remain as management is in agreement.	0%	Jack Mdeni	Danielle Pieterse	2019-03-31	1. Mapping and disclosure to be corrected with interim AFS	1. Reviews will be done only once draft AFS are available.

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					as follows: Receivables from Exchange Transactions 0 Cash and Cash Equivalents 0. This is caused by ineffective review processes around preparation of the annual financial statements and supporting notes.									
14	CoAF 14	Expenditure management	Other Important matters	Expenditure: Fruitless and wasteful expenditure identified	It was noted that catering for the SABATA Learnership was for 25 learners as per attendance register but the municipality was charged and it paid for 52 learners. This is due to lack of review by	The Chief Finance Officer should review and monitor all expenditure to ensure that all expenditure incurred are correct and accurate. The fruitless and wasteful expenditure disclosure note must be adjusted with the identified incidents and any	Management is in disagreement with the finding. The training conducted for 25 twice a day, the one class was in the morning and the other in the afternoon. Attendance registers have	Management response noted however there were no separate attendance registers submitted to auditors to collaborate management response therefore the finding will remain and be reported on.	0%	Bukelwa Dlodlo		2019-03- 31	1. Submit attendance register or 2. Disclosure as fruitless and wasteful	1. This will be discussed with AG during planning. The attendance registers are in place for this transaction.

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					management as the expenditure would not have incurred had the correct number of learners been used. This is non-compliance with the MFMA par 62 (1) (a) and (b) and also fruitless and wasteful expenditure of R37 800	other incidents that came to the attention of management subsequent to the submission of the annual financial statements on 31 August 2018.	been separately provided to collaborate this. The 26th attendee is the facilitator.							
15	CoAF 16	Expenditure management	Other Important matters	Operating grant expenditure: Vat incorrectly recorded	We noted that amounts were recorded vat inclusive under operating grant expenditure. There are no reviews performed on transactions recorded in the general ledger. This is non-compliance	The Chief Finance Offer should implement controls over daily and monthly processing and reconciling of transactions to ensure that expenditure is recorded accurately in the general ledger. Furthermore they should processing	No management response received.	Finding will remain and be reported on.	35%	Bukelwa Dlodlo		2019-02-28	1. Determine whether this is a valid finding with meeting with AGSA. 2. If so, a thorough VAT review should be conducted. Setup meeting with VAT Specialist	1. The VAT corrections are identified when the VAT 201 returns are compiled. 2. VAT journals in this regard are drafted for correction in the system.

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					with s62(1)(b) of the MFMA, resulting in overstating of operating expenditure and understating vat input with the projected amount of R5 872 642.45.	adjusting journals to correct the incorrect recording of VAT inclusive. The entire population should be reviewed to ensure that there are no other transactions incorrectly recorded VAT inclusive.								
18	CoAF 5	Expenditure management	Other Important matters	Employee benefits - Understatement of bonus accrual (13th cheque)	The bonus accrued balance in relation to the 13th cheque as at 30 June 2018 has been understated due to the municipality not taking the days into account in their calculation. This is caused by the fact that management used months to calculate the accrual instead	Management should ensure that all grant expenditure is according to the condition and monthly reconciliations between grants received and expenditure relating to it are performed.	No management response received.	Finding will remain and be reported on.	10%	Bukelwa Dlodlo		2019-02-28	1. Needs to be discussed with AGSA. No other municipality calculates the provision based on days. Always calculate using months	1. The matter was raised with AG during the debriefing meeting and a finality of the matter will be discussed during planning.

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					of days. The bonus accrued in relation to the 13th cheque has been understated by a projected amount of R 240 880.46.										
19	CoAF 16	Grants	Other Important matters	Grant Revenue recognised without meeting the conditions	It was noted that the following grant revenue was recognised as revenue even though the expenditure was not according to the condition of the grant: This is due to conditional grant expenditure not being utilised according to the condition of the grant and	Management should ensure that all grant expenditure is according to the condition and monthly reconciliations between grants received and expenditure relating to it are performed.	No management response received.	Finding will remain and be reported on.	70%	Funeka Mbaliswana		2019-02-28	1. management response. Arrange meeting with AGSA.	No	19

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					prematurely recognising that revenue. Overstatement of revenue and understatement of the relevant assets by R22 042 921.16									
20	CoAF 18	Expenditure management	Other Important matters	GL not reconcile to the Payroll	The AFS provided by the municipality does not agree to Payroll. The cause of the differences between the general ledger and the payroll is due to the lack of review of the Management in mapping the transactions to the general ledger. This results in an understatement of employee	Management should ensure that the general ledger agrees to the payroll report by consistently reviewing the general ledger to ensure proper mapping has been done to the general ledger from the payroll.	Management response not received.	Management response not received therefore finding will remain and be reported on.	30%	Bukelwa Dlodlo	William O'Ehley	2019-03-31	1. 2017/18 Payday vs GL reconciliation to be performed	1. A reconciliation of 20118 AFS is being done to isolate travel reimbursive expenditure and other items not forming part of employee cost.

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					related costs by a factual amount of R4 890 040.47									
21	CoAF 9	Annual financial statements	Other Important matters	Disclosure: Financial Instruments	Note 41 of the financial statements is not complete, as there are no details regarding the financial statements. This results in non-compliance of the requirements of GRAP104 para AG154. This is qualitatively material.	Management should have a disclosure checklist against which final annual financial statements can be checked to ensure that all relevant disclosures are provided for in line with the reporting framework.	Management is in agreement with the finding. The note will be disclosed in the final adjusted set of AFS.	Management response noted and the note was audited in the adjusted AFS, and conclusion was reached. Issue has been resolved.	10%	Jack Mdeni	Danielle Pieterse	2019-03-31	1. Mapping and disclosure to be corrected with interim AFS	Not started
22	No CoAF	Annual financial statements	Other Important matters	Financial Instruments - Incomplete disclosure	Note 41 of the financial statements is not complete, as there are no details regarding the financial statements.	Management should ensure that financial statements are prepared on time and are submitted to internal and audit committee for review before they	No management response received.	The finding remains and will be reported on.	10%	Jack Mdeni	Danielle Pieterse	2019-03-31	1. Mapping and disclosure to be corrected with interim AFS	Reviews will take place after AFS have been drafted

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					<p>This is caused by inadequate reviews of the financial statements. This results in non-compliance of the requirements of GRAP104 para AG154. This is quantitatively material.</p>	<p>are submitted for audit purposes.</p>								
23	No CoAF	Expenditure management	Other Important matters	Provision incorrectly calculated	<p>Based on work done on Provisions for landfill site determined that the Provision is understated by and actual amount of R1 988 411. The cause of the misstatement is the omission of discounting per the expects report. The</p>	<p>Management expect must ensure they take the time value of money into account when doing the estimate for provisions.</p>	<p>No management response received.</p>	<p>The finding remains and will be reported on. This is the difference that came from the final adjusted AFS and there was not time to communicate the misstatement to management.</p>	10%	Bukelwa Dlodlo		2019-02-28	<p>1. This finding is invalid. Need to discuss with AGSA.</p>	<p>1. GRAP 19 was provided to AF after the debriefing meeting. They were to refer the matter to their technical advice in order to concur with the correct treatment of the provision.</p>

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					provisions and assets are Understated by an actual amount of R1 988 411.									
25	CoAF 7	Asset Management	Other Important matters	Investment properties: Inappropriate useful lives used	In terms of the municipality's accounting policy, the useful life for investment property buildings is between 100 & 105 years. However, in terms of the national treasury's MFMA capital assets management guide of October 2008, the recommended range for such buildings is within 25 to 60 years. The recommendati	Management should re-assess the useful lives of investment properties in line with public sector's best practices as well as guidance given by the national treasury, and revise any useful lives that are inappropriate in line with the guidance given by GRAP 3.	Management is not in agreement with the finding. As much as management has no objection to use the National Treasury's MFMA capital assets management guide, the guide serves the purpose of guiding in instances where no demonstrable evidence exists for building to last longer than the period of	Management disagrees with the finding. However, the explanation provided by management does not provide the auditor with sufficient reason to conclude that the useful lives are appropriate for their buildings. Management has not submitted any evidence whatsoever i.e. extensive maintenance plans for such assets, that would enable the auditor to be satisfied that it is	85%	Sisa Mveku	Mubesko Africa	2019-03-31	1. Obtain support that a lifetime of 100 years is considered reasonable	1. Useful lives have been determined. Part of the AG's planning will be to agree on appropriatenes s of the useful lives.

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on per the asset guide is also consistent with useful lives that are generally used within both the private and public sectors for buildings, and the auditor is therefore of the opinion that the useful life used of 100 years is inappropriate as it overstates carrying values, and is not a true reflection of the period over which benefits will be derived from the properties.

the guide. In this particular case management is able to demonstrate that its buildings last 100 years or longer. Below are pictures of one of the municipality's buildings that was unveiled in August 1923. The building is 95 years old and is still looking to be in a very good state to be used long after its 100th year anniversary. This is the case with the other buildings as well. Based on this fact, management is confident that

reasonable to conclude that buildings will be in use for at least 100 years. The finding has therefore not been resolved, and the resulting estimated misstatement has been quantified and included in the summary of uncorrected misstatements for evaluation against final materiality. The finding will also be reported in the final management report.

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							the 100 year useful life used is reasonable and justifiable.							
26	CoAF 10	Expenditure management	Other Important matters	Consulting and Professional fees are overstated	During the Audit of Consulting and professional fees it was noted that the following transactions are included in expenditure at amounts including VAT, therefore are not accurately recorded. During the Audit of Consulting and professional fees, it was noted that the following transactions are not correctly classified. There are no reviews	Management must ensure they implement controls over the daily and monthly processing of transitions.	Management is in agreement with the finding 2(a) but not in agreement with 2(b). Finding 2(a) a corrective journal will be processed. Finding 2(b), the classification is correct as the payment relates to Youth Development.	Management response noted and issue 2(a) will remain and be reported on while issue 2(b) will be removed as the classification is correct.	10%	Bukelwa Dlodlo		2019-03-31	1. Thorough VAT review should be conducted. Setup meeting with VAT Specialist	1. The VAT corrections are identified when the VAT 201 returns are compiled. 2. VAT journals in this regard are drafted for correction in the system.

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					<div>performed on transactions passed on the General ledger. The Consulting and Professional fees are overstated by:<ul style="list-style-type: none">• An Actual Amount of R26 442• A projected amount of R242 590The following accounts are understated:<ul style="list-style-type: none">• Input VAT is overstated by a projected amount of R220 571• Operating grant is overstated by a projected amount of R22 019</div>										
27	CoAF 10	Expenditure management	Other Important matters	Remaining population incorrectly	a) During the Audit of remaining	Management must ensure they have controls over daily	Management is in agreement with the	Management response noted, 5(b) will be	10%	Bukelwa Dlodlo		2019-03-31	1. AGSA response does not agree with	1. The VAT corrections are identified when	

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				classified and recorded	population, it was noted that the following transactions are included in expenditure at amounts including VAT, therefore are not accurately recorded. b) During the Audit of the remaining population it was noted that the following transaction was included in expenditure though relating to overtime, therefore this expenditure is incorrectly classified. There are no reviews performed on transactions passed on the General ledger.	and monthly processing of transactions.	finding 5(a) but not in agreement with 5(b). Finding 5(a) a corrective journal will be processed. Finding 5(b), the classification is correct as the expenditure relates to experiential learner but that worked overtime and the payment is taken from a single segment.	removed, however issue will remain on 5(a) as management is in agreement.					finding. Need to discuss with AGSA 2. Thorough VAT review to be conducted. Setup meeting with VAT Specialist	the VAT 201 returns are compiled. 2. VAT journals in this regard are drafted for correction in the system.
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					<p>The remaining population is overstated by:</p> <ul style="list-style-type: none"> • An Actual amount of R4 252 • A projected amount of R56 605 <p>The following accounts are understated :</p> <ul style="list-style-type: none"> • Input VAT is understated by a projected amount of R18 611. • Employee costs are understated by a projected amount of R37 994. 									
28	CoAF 11	Expenditure management	Other Important matters	Retention balance understated	<p>The following retention balances per retention register does not agree to the accumulated balances per</p>	<p>Management must reconcile the retentions schedule with the supplier's payment certificates regularly and constantly review the retention register.</p>	<p>No management response received.</p>	<p>The issue will remain as there was no management response received and will be reported on.</p>	10%	Sisa Mveku	Leandra Oosthuizen	2019-03-31	<p>1. Response from Siyanda seems to have not been sent to AGSA. Need to arrange a meeting with AGSA.</p> <p>2. Retention will</p>	<p>1. Retentions will be done once creditors have been cleaned up.</p>

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					the service provider's payment certificates: Management not performing proper reviews on retentions and reconciliations on the retentions register not performed. Understatement of retention with a projected error of R254 421.70 and overstatement of assets.								be reviewed once creditors (finding 11) has been resolved	
32	CoAF 2	Supply chain management	Other Important matters	SCM: Preference points calculation not inclusive of all taxes	Protea Consulting Inc. was awarded contract ELM-2-023/2017-2018 based on an evaluation for Preference points that was exclusive of	Management should correctly apply all procurement related legislation in their SCM processes.	Management disagree with the findings. In terms of the supreme law, the Constitution, section 217 is imposing	Management comment has been noted. However, when faced with laws that contradict each other reference is always made to the primary law,	75%	Hlubikazi Mduzulwana		2019-02-28	1. A directive advising all SCM evaluation committees to include all taxes on pricing has been issued. This will be observed on all evaluations	All evaluations are now based on prices inclusive of all applicable taxes. SCM assessed the whole population on competitive

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				<p>applicable taxes (VAT) despite this being contrary to the regulation</p>	<p>obligations on government entities to ensure the proper and responsible expenditure of public funds. The South African Constitution requires that when government entities engage in any procurement they must comply with five key principles set out in section 217(1) of the Constitution. These five pillars stipulate that the procurement process must be equitable, transparent, fair,</p>	<p>in this case the MFMA and treasury regulations take precedence. The CIBD practice note submitted by management in response to the communication has been reviewed and it must be noted that the regulation supersedes a practice note. The finding is therefore unresolved, payments made under this contract need to be recognised under irregular expenditure, if management doesn't make the adjustment, the misstatement will</p>			<p>going forward.</p> <p>2. Consider including as irregular expenditure after meeting with AGSA.</p>	<p>bids effective from July 2018 and since established that there was one transaction affected. This transaction is included in the register of irregular expenditure. On mini bids, SCM is currently busy with the assessment of the whole population and there was one bid affected which was also reported as irregular expenditure. Not all mini bids were tested, SCM is still busy with the assessment on all mini tenders (tenders below 200 000) . This</p>
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							<p>competitive and also result in cost-effectiveness for that public institution.</p> <p>In terms of Supply Chain Management: A guide to Accounting Officers of Municipal and municipal entities, paragraph 4.5.6.1.3 states that the bid specification, evaluation and adjudication must be in the ambit of section 217 of the constitution as well as PPPFA as well as it associated regulations.</p>	<p>be evaluated against the materiality figure, when found material it will result into the modification of the auditor's report.</p>						<p>excesise will be complete by 15 March 2019</p>
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This was done due to the above reasons, in order to achieve the objective enshrined in the constitution (fairness) because, when you compare price of bidder with VAT and of a bidder without VAT it becomes not comparative as the other bidder does not have obligations of VAT with SARS.

A bidder who is VAT vendor can't be compared with a non-VAT bidder, as this will unfairly jeopardise the

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bidder with VAT (for the monies that will be claimed by SARS for VAT). This is why the municipality consider them comparative after taking out the VAT.

In our engagements with PALAMA, who trained Elundini in June 2013, which was the training arranged by Provincial Treasury, calculation of prices and bringing them to comparative basis was discussed and in the manual, it is exactly as



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							how the Elundini Municipality practice. (Refer to the attached PALAMA GUIDE)							
33	CoAF 3	Supply Chain Management	Other Important matters	Reasons for deviation not in terms with the SCM Policy	During the performance of supply chain management regulations compliance audit, it was noted that the municipality incorrectly applied a limited bidding process on the following tender: No. Supplier Description Amount (R) 1. Ndokhula Trading Strategic Plan review R188 220.The municipality, in its "Request for	When using limited bidding process there must be supporting documentation detailing market analysis performed which informs the basis of limited bidding process. Management must properly review reasons for deviations before approval.	Management disagrees with the finding, in the view of management reasons to deviate were found to be reasonable and justifiable due to the following reasons: An analysis of the market was impractical as the municipality perceived justifiable to have its first strategic planning review	Management comment noted. The use of impracticability being the fact that the supplier was part of the process of the initial development of the strategy does not make it impractical for management to go on tender and source another supplier. The strategy is a product of the municipality that captures the ideas and wishes of the municipality, the role played by the	50%	Hlubikazi Mduzulwana		2019-02-28	1. All deviations will be subjected to close scrutiny to determine if they meet the criteria. 2. Deviations will be allowed to be used as a last resort when on other alternative procurement processes can be followed. 3. Consider including as irregular expenditure after meeting with AGSA.	A continuous improvement is applied in assessing whether deviation meets the requirements of SCM Regulation 36 before it is signed off by the Accounting Officer or CFO.

[illegible]

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36	CoAF 6	Revenue management	Other Important matters	Non-submission of information requested	During the audit, the information detailed in the table below which was requested for audit purposes through the issue of formal requests for information (RFI) in terms of the terms of engagement, however, was not submitted:- Lease agreements- Sundry income schedule- Schedule for payments received in advance, unknown receipts and sundry payments	Management should ensure safeguarding of supporting documents and should take reasonable steps to ensure that the information requested is made available to the audit team within 3 working days.	Management is in agreement with the finding. Please receive the requested information as stated below:1. Revenue information requested: 1.1 The lease agreement for L Baduza is attached. The municipality did not sign lease agreements with 5 other tenants as they were owing. 3 of those have been evacuated the premises subsequent to year end. 1.2 There is no longer sundry income as all the sundry	Management response noted: 1. Revenue information requested: 1.1 The lease agreement for L Baduza is attached. The municipality did not sign lease agreements with 5 other tenants as they were owing. 3 of those have been evacuated the premises subsequent to year end. 1.2 There is no longer sundry income as all the sundry income accounts have been mapped to their respective accounts line items in terms of CoAF 1 - Revenue Analysis.This issue will remain.2. This	10%	Bukelwa Dlodlo	2019-03-31	1. This finding does make sense. Need to be discussed with AGSA in meeting.	1. A process of identifying all occupied properties and matching them with leases is underway. All sundry schedules are being compiled.
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income	information was
accounts have	received and
been mapped	subsequently
to their	audited,
respective	therefore will be
accounts line	removed, point
items in terms	"a) and "b" will
of CoAF 1 -	remain as no
Revenue	information was
analysis. 2. %	received.
of budget	3. Trade payables
spent on	from exchange
SMMes 2.1 A	transactions
budgeted	3.1 See attached
amount of R18,	file for detailed
419,947.59	ledger
was set aside	transactions
the	named A.
denominator.	Detailed Ledger
Please see	Advance
column B of the	Payments.xlsx
attached file	3.2 This amount
name SMME	was incorrectly
Report June	mapped as
2018. 2.2	unknown
Column D of	receipts. It is
the SMME	actually in respect
Report June	of opening
20108.xlsx	balance for Post-
reflects the	Retirement
spending on	Medical
SMMes. 2.3	Obligations and

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Column A	has been
reflects the	remapped as
package orders	such. 3.3 This
issued.	account has since
Detailed	been remapped
information in	to trade creditors
this regard was	and is no longer in
submitted on	existence.This
RFI 16. 2.4	issue will also
Please see	remain.
SMME	
addresses on	
the attached	
SMME Report	
June 2018.xlsx.	
Trade payables	
from exchange	
transactions	
3.1 See	
attached file	
for detailed	
ledger	
transactions	
named A.	
Detailed ledger	
Advance	
Payments.xlsx	
3.2 This	
amount was	
incorrectly	
mapped as	
unknown	

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							receipts. It is actually in respect of opening balance for Post-Retirement Medical Obligation and has been remapped as such. 3.3 This amount has since been remapped to trade creditors and is no longer in existence.							
37	No CoAF	Annual Financial Statements	Other Important matters	Pound fees: Overstatement of pound fees	Pound fees in the general ledger are included with an amount of R923 296.32 which is recorded as an opening balance. This is caused by implementation of MSCOA as	Management should ensure that staff is trained to operate the mSCOA to ensure accuracy and classification of amounts disclosed in the annual financial statements.	No management response received.	The finding remains and will be reported on. Management submitted the adjustments late and no work could be done on the work submitted on the adjusted financial statements.	10%	Jack Mdeni	Hendrik Louw	2019-03-31	1. Investigate opening balances transferred from SEBATA	1. Opening balances are being reconciled.

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accounts are
incorrectly
mapped.
This results in
overstatement
of Pound Fees
by a factual
amount of
R923 296.



2.10. Annual Financial Statements as at 30 June 2018

The municipality's Annual Financial Statements as at 30 June 2018 will be attached to the document as an Annexure.